

INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
CHAVES COUNTY
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June 30, 2006**

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**STATE OF NEW MEXICO
CHAVES COUNTY
OFFICIAL ROSTER
June 30, 2006**

BOARD OF COMMISSIONERS

Michael A. Trujillo	District 1
Harold Hobson	District 2
Alice Eppers	District 3
Richard C. Taylor	District 4
Dorrie Faubus-McCarty	District 5

ELECTED OFFICIALS

Pat Jennings	County Sheriff
Anita Maner Hernandez	County Treasurer
Rhoda Coakley	County Clerk
Mark Willard	County Assessor

APPOINTED STAFF

Stanton L. Riggs	County Manager
Joe Sedillo	Finance Director
Roger L. Cooper	Public Works Director
Jim Messick	Data Processing Director
Grant Pinkerton	Planning & Zoning Director
Sonny Chancey	Maintenance Superintendent
Richard "Dick" Smith	Flood Control Superintendent
Alfonso Solis	Adult Detention Administrator
Michael T. Gallagher	Juvenile Detention Administrator

FINANCIAL SECTION

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MILLER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

400-NORTH PENNSYLVANIA - SUITE 800
POST OFFICE BOX 2504
ROSWELL, NEW MEXICO 88202-2504

RONALD L. MILLER, C.P.A./A.B.V., C.V.A.
LARI E. GALLAGHER, C.P.A.
RYAN L. MILLER, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE 505-622-4667
FAX 505-622-5166
E-MAIL: rmiller@dfn.com

INDEPENDENT AUDITOR'S REPORT

Domingo P. Martinez, CGFM
New Mexico State Auditor
The Office of Management and Budget,
County Manager, County Commissioners and
Citizens of Chaves County
Roswell, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of New Mexico, Chaves County (the "County"), as of and for the year ended June 30, 2006 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 nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 of America. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 State of New Mexico, Chaves County as of June 30, 2006, and the respective changes in financial position where applicable, thereof and the respective budgetary comparisons for the general 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 Chaves County as of June 30, 2006, and the respective changes in financial statements, where applicable, thereof and the respective budgetary comparison for each nonmajor special revenue fund, capital projects funds, debt service fund, and the major permanent

fund 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 September 12, 2006, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis 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 financial statements that collectively comprise the County's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons for each nonmajor special revenue, capital projects funds, debt service fund, and the major permanent fund. The accompanying financial information listed as supporting Schedules I through VIII, F-1, and G-1 in the table of contents is presented for purposes of additional analysis and Schedule VII, Schedule of Expenditures of Federal Awards and Schedule VIII, Schedule of Findings and Questioned Costs as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations in the table of contents are presented for purposes of additional analysis, and are 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 financial statements taken as a whole.

Miller & Associates, CPA, PC

Miller & Associates, CPA, P.C.
September 12, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Chaves County, we offer readers of Chaves County financial statements this narrative overview and analysis of the financial activities of Chaves County for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with the financial statements of Chaves County and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of CHAVES COUNTY exceeded its liabilities at the close of the most recent fiscal year by \$161,677,857 (*net assets*). Of this amount, \$10,439,942 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$2,031,367.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$7,227,502, or 61.2 percent of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Chaves County's basic financial statements. Chaves County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the government-wide financial statements distinguish functions of Chaves County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Chaves County include general government, public safety, public works, culture and recreation, and health and welfare.

The government wide-financial statements can be found at exhibit A-1 and A-2 of this report.

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Chaves County maintains thirty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, road fund, indigent hospital claims fund, county income fund, courthouse construction project fund, other grants and contracts fund, and county permanent fund, all of which are considered to be major funds. Data from the other twenty-seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Chaves County adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the general fund, road fund, indigent hospital claims fund, county income fund, county permanent fund, other grants and contracts funds, and courthouse construction project fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at exhibits B-1 through D-1 of this report.

FIDUCIARY FUND

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

Chaves County fiduciary funds account for the collection of property taxes and special fees and their remittance to other governmental agencies.

The basic fiduciary fund financial statements can be found at exhibit D-1 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 - 57 of this report.

OTHER INFORMATION

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 62 - 122 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Chaves County, assets exceeded liabilities by \$161,677,857 at the close of the most recent fiscal year.

The largest portion of Chaves County's net assets (30.9 percent) reflects the net assets of the Permanent Fund. As a result of Ordinance #54, the County commissioners established a Permanent Fund. Monies in the Permanent Fund may be appropriated or expended only pursuant to approval of the voters of Chaves County; accordingly, these assets are reported as nonexpendable assets and are not available for future spending. In addition 64.6 percent of net assets represent the County's investment in capital assets (e.g., land, buildings, equipment, furnishings, and infrastructure); less any related debt used to acquire those assets that is still outstanding. Chaves County used these capital assets to provide services to citizens' consequently; these assets are not available for future spending. Although Chaves 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 sued to liquidate these liabilities.

An additional portion of Chaves County's net assets (6.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$10,439,942) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Chaves County is able to report positive balances in both categories of net assets, for the government as a whole. The same situation held true for the prior fiscal year.

CHAVES COUNTY'S NET ASSETS
(in thousands)

	Governmental Activities	
	June 30, 2006	June 30, 2005
Assets:		
Current and Other Assets	\$ 73,289	\$ 74,312
Capital Assets	104,479	105,025
Total Assets	177,768	179,337
Liabilities:		
Current Liabilities	1,968	2,849
Long-term Liabilities Outstanding	14,122	14,037
Total Liabilities	16,090	16,886
Fund equity	161,678	\$ 162,451

GOVERNMENTAL ACTIVITIES

Governmental activities increased Chaves County's net assets by \$2,747 (in thousands). Key elements of this decrease are as follows:

CHAVES COUNTY'S CHANGES IN NET ASSETS
(in thousands)

	Governmental Activities	
	June 30, 2006	June 30, 2005
REVENUES:		
Taxes	\$ 16,176	\$ 14,406
Intergovernmental	3,915	3,120
Charges for services	629	1,121
Interest	685	3,108
Other	3,794	6,066
Total Revenues	25,199	27,821
EXPENSES:		
General government	9,914	7,888
Public safety	6,831	7,706
Highways and streets	3,878	3,318
Conservation of natural resources	767	799
Health and welfare	5,503	3,861
Special grants and projects	262	626
Culture and recreation	150	150
Interest	641	667
Permanent transfers		30
Total Expenses	27,946	25,045
Increase (decrease) in net assets	2,747	\$ 2,776

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Chaves County uses fund accounting to ensure and demonstrate compliance with financing-related legal requirements.

Governmental Funds

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of 161 million, a decrease of 733 thousand. Approximately 63% of the aggregate fund balances, 101 million, constitutes unreserved fund balances. The unreserved fund balances, for the most part, are not available for new spending. These funds have been committed to various uses based on state statutes.

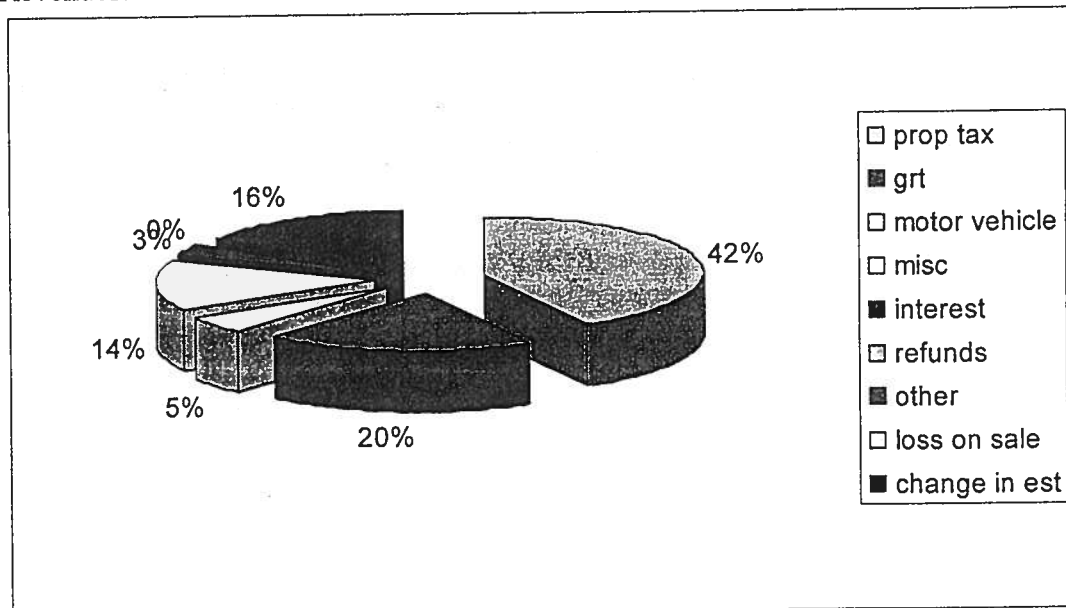
General Fund:

The fund balance for the general fund as of June 30, 2006 was 7.3 million, and increase of 532 thousand. 160 thousand is designated for subsequent year's expenditures. 7.2 million is undesignated.

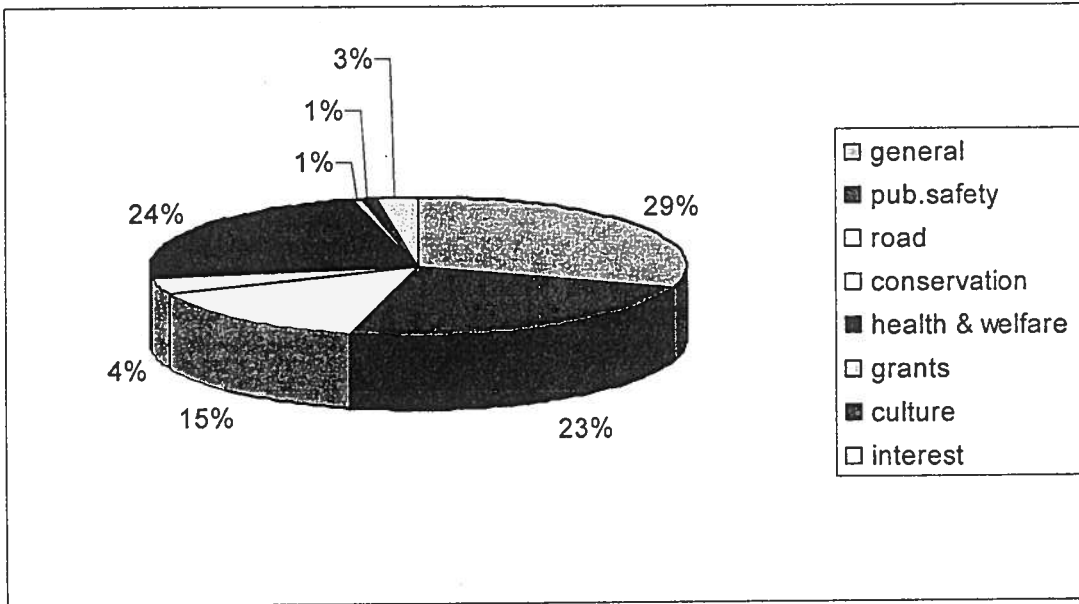
Governmental Activities

Governmental activities decreased the county's net assets by 2.2 million. Key elements for this increase in net assets are as follows: Expenses for governmental activities increased overall by 2.2 million, (11.362%), primarily in highways and streets and health and welfare. This increase can be attributable to demands on services for road repair, construction and population demands for indigent health care.

Revenues:



Expenses:



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

As of the end of the current fiscal year, Chaves County's governmental funds reported combined ending fund balances of \$71,037,668, a decrease of \$2,746,553 in comparison with the prior year. Approximately 70 percent of this total amount constitutes amounts reserved for the permanent fund and 2.8 percent of this total represents amounts reserved for the debt service funds. Approximately 22.7 percent of this total amount, \$16,159,235, constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion, and 4.0 percent of this total amount, \$2,869,203 is unreserved, designated for subsequent year's expenditures that is an internal designation of unreserved fund balance.

The general fund is the chief operating fund of Chaves County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$7,227,502, while total fund balance was \$7,387,312. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 61.3 percent of the total general fund expenditures, while total fund balance represents 62.6 percent of that same amount.

The general fund balance of Chaves County's increased by \$532,636 during the current fiscal year.

The road fund has a total fund balance of \$1,971,962, all of which is unreserved. The net increase in fund balance during the current year in the road fund is \$1,167,225.

The indigent hospital claims fund has a total fund balance of \$947,376, all of which is unreserved. The net increase in fund balance during the current year in the indigent hospital claims fund was \$139,217.

The county income fund has a total fund balance of \$3,365,251, all of which is unreserved and of that total \$1,119,689 is designated for subsequent year's expenditures. The net decrease in fund balance during the current year in the county income fund was \$3,312,687.

The other grants and contracts fund has a deficit fund balance of \$(43,416). This is due to unpaid invoices by the grantor.

The county permanent fund has a total fund balance of \$50,000,000, all of which is reserved for the purpose of the permanent fund. As a result of Ordinance #54, the County Commissioners established a Permanent Fund. Monies in the Permanent Fund may be appropriated or expended only pursuant to approval of the voters of Chaves County. Accordingly, these assets are reported as reserved fund balances and are not a resource available for current or future spending. There is not change in fund balance during the current year in the county permanent fund.

Fixed Assets

The state legislature amended section 12-6-10, NMSA 1978, which changed the capitalization threshold for movable chattel and equipment. There was a prior period adjustment related to this change in the amount of 1,257,708. 16.3 million was reclassified from construction in progress to buildings, which will be depreciated.

BUDGETARY HIGHLIGHTS

County budgets reflect the same pattern as seen in the revenue and expenditures of the County. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the county level, Chaves County utilizes goals and objectives defined by the County Commissioners, community input meetings, long term plans and input from various staff groups to develop the County budget. County priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in this report with percentage of total fund dollar amounts are as follows: The General Fund 37.06%, Road Fund 13%, Indigent Hospital Claims Funds 13.16%, County Income Fund 3.39%, Other Grants and Contracts Fund 6.51%, County Permanent Fund 0%, and other Governmental Fund 26.89%.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2006. Detail budget performance is examined through the Schedule of Revenues and Expenditures Budget and Actual for each major fund and for the non-major funds.

FUNDS EXPENDITURES BUDGET PERFORMANCE

	2006 Budget		Actual	Variance
General Fund	\$ 12,718,708	37.0561%	\$ 11,750,154	\$ 968,554
Road Fund	4,463,532	13.0045%	4,131,706	331,826
Indigent Hospital Claims Fund	4,516,403	13.1586%	4,224,584	291,819
County Income Fund	1,165,000	3.3942%	1,137,697	27,303
Grants and Contracts	2,230,006	6.4971%	861,253	1,368,753
Other	9,229,201	26.8894%	7,817,677	1,411,524
Total	\$ 34,322,850	1.00	\$ 29,923,071	\$ 4,399,779

Major differences between the original budget and the final amended budget (in thousands) are briefly summarized as follows:

- \$98 in increases allocated to support of other agencies in the general fund and construction
- \$157 in increases allocated to general government in the general fund
- \$456 in increases allocated to capital outlay in the courthouse construction project fund
- \$648 in increases allocated to general government in other contracts and grants fund
- \$228 in increases allocated to capital outlay in other contracts and grants fund

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The County's capital assets for its governmental activities as of June 30, 2006, amounts to \$108,783,118 (net of accumulated depreciation). This investment in capital assets includes land and buildings, infrastructure, equipment and furnishings, and construction in progress.

Chaves County Capital Assets (net of depreciation)

	Governmental Activities	
	June 30, 2006	June 30, 2005
Land and buildings	\$ 50,929,829	\$ 34,182,432
Equipment and furnishings	20,661,071	19,556,667
Infrastructure	57,835,297	57,835,297
Construction in progress	333,774	16,672,857
	<u>129,759,971</u>	<u>128,247,253</u>
Less: accumulated depreciation	<u>(25,280,689)</u>	<u>(23,222,548)</u>
Total	\$ 104,479,282	\$ 105,024,705

Additional information on Chaves County's capital assets can be found in note 6 on page 49 of this report.

Long-Term Debt: At the end of the current fiscal year, Chaves County had a total bonded long-term debt outstanding of \$13,235,000, loans outstanding of \$422,556 and capital leases outstanding of \$307,720 all of which is secured by pledged gross receipts tax revenues.

**Chaves County's Outstanding Debt
Revenue Bonds, Notes Payable and Capital Leases**

	Governmental Activities	
	June 30, 2006	June 30, 2005
Bonds	\$ 13,235,000	\$ 14,370,000
Loans	422,556	447,171
Capital Leases	307,720	354,210
Total	\$ 13,965,276	\$ 15,171,381

Additional information on Chaves County's long-term debt can be found in Note 8 on pages 51 - 53 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate of Chaves County is currently 4.5 percent, which is a decrease from a rate of 6.1 percent a year ago. This compares unfavorably to the state's average unemployment rate of 4.1 percent and favorably with the national average rate of 4.6 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing Chaves County's budget for the 2006 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$7,227,502. Chaves County has appropriated \$159,810 of this amount for spending in the 2007 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2007 fiscal year. It also is intended to reduce the need for the transfers of additional resources to and from various funds, as occurred during the 2006 fiscal year.

REQUESTS FOR INFORMATION

The purpose of this financial report is to provide the general public and other interested parties with a general overview of the County's finances and accountability of funds. Questions concerning this report or requests for additional information should be addressed to the Office of the Finance Director, Chaves County, P.O. Box 1772, Roswell, New Mexico 88202-1772.

STATE OF NEW MEXICO
 CHAVES COUNTY
 Statement of Net Assets
 Government -Wide
 June 30, 2006

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 17,443,555
Receivables	1,355,336
Inventories	1,257,708
Prepaid assets	305,913
Cash and cash equivalents temporarily restricted for:	
Debt service	1,854,626
Bond project fund	28,102
Provision of indigent health care	832,145
Cash and cash equivalents permanently restricted for:	
County permanent fund	50,000,000
Capital assets, net of depreciation:	
Land	3,612,483
Buildings	35,180,719
Machinery and equipment	7,517,010
Infrastructure	57,835,297
Construction in progress	333,774
Bond issuance cost	211,893
	177,768,561
Total assets	\$ 177,768,561

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

STATE OF NEW MEXICO
CHAVES COUNTY
Statement of Net Assets
Government -Wide
June 30, 2006

Exhibit A-1

LIABILITIES	
Accounts payable	\$ 187,593
Accrued expenses	561,798
Accrued interest	310,567
Accrued compensated absences - current	403,579
Deferred revenue	504,944
Noncurrent liabilities:	
Accrued compensated absences	156,948
Due within one year	496,135
Due in more than one year	13,469,140
	<hr/>
Total liabilities	16,090,704
	<hr/>
NET ASSETS	
Invested in capital assets, net of related debt	90,514,008
Restricted for:	
Public safety	2,732,191
Highways and streets	2,619,121
Conservation of natural resources	840,549
Health and welfare	4,531,920
Culture and recreation	126
Special grants and projects	-
Debt service	-
Permanent fund - nonexpendable	50,000,000
Unrestricted	10,439,942
	<hr/>
Total net assets	161,677,857
	<hr/>
Total liabilities and net assets	\$ 177,768,561
	<hr/> <hr/>

STATE OF NEW MEXICO
 CHAVES COUNTY
 Statement of Activities
 Government -Wide
 For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 8,436,033	\$ 756,730	\$ 620,516	\$ -
Public safety	7,366,454	346,097	1,274,944	-
Highways and streets	3,878,085	-	-	394,809
Conservation of natural resources	839,955	-	-	-
Health and welfare	5,539,179	-	-	-
Special grants and projects	439,083	-	64,889	500,000
Culture and recreation	150,000	-	-	-
Permanent transfer to fiduciary fund	-	-	-	-
Interest on long-term debt	618,356	-	-	-
Total governmental activities	<u>27,267,145</u>	<u>1,102,827</u>	<u>1,960,349</u>	<u>894,809</u>
Total primary government	<u>\$ 27,267,145</u>	<u>\$ 1,102,827</u>	<u>\$ 1,960,349</u>	<u>\$ 894,809</u>

General revenues:

- Property taxes
- Gross receipts taxes
- Motor vehicle and fuel taxes
- Miscellaneous
- Unrestricted investment earnings
- Refunds and recoveries

Special items:

- Loss on sale of capital assets
- Total general revenues and special items
- Change in net assets
- Beginning net assets - as previously reported
- Restatement
- Beginning net assets - as restated
- Net assets, ending

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

Total

\$	(7,058,787)
	(5,745,413)
	(3,483,276)
	(839,955)
	(5,539,179)
	125,806
	(150,000)
	-
	<u>(618,356)</u>
	<u>(23,309,160)</u>
	<u>(23,309,160)</u>

	10,491,637
	5,108,531
	1,343,720
	3,647,484
	685,460
	4,623

	<u>(3,662)</u>
	<u>21,277,793</u>
	<u>(2,031,367)</u>
	162,451,516
	<u>1,257,708</u>
	<u>163,709,224</u>
\$	<u><u>161,677,857</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
Balance Sheet
Major Governmental Funds
June 30, 2006**

	<u>General Fund</u>	<u>Road Fund</u>	<u>Indigent Hospital Claims Fund</u>	<u>County Income Fund</u>
ASSETS				
Cash and cash equivalents	\$ 7,118,158	\$ 853,631	\$ 832,145	\$ 3,365,251
Receivables:				
Taxes	456,805	30,790	154,585	-
Intergovernmental	29,120	52,555	-	-
Interest	15,598	-	-	-
Inventories	-	1,257,708	-	-
Prepaid expenses	203,003	21,963	955	-
Due from other funds	585,000	-	-	-
	<u>\$ 8,407,684</u>	<u>\$ 2,216,647</u>	<u>\$ 987,685</u>	<u>\$ 3,365,251</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	19,645	899	36,112	-
Accrued expenses	352,724	147,456	4,197	-
Due to other funds	-	-	-	-
Deferred revenue	340,754	-	-	-
Compensated absences	307,249	96,330	-	-
Total liabilities	<u>1,020,372</u>	<u>244,685</u>	<u>40,309</u>	<u>-</u>
Fund balances:				
Reserved for permanent fund	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures, reported in:				
General fund	159,810	-	-	-
Special revenue funds	-	431,103	-	1,119,689
Capital projects funds	-	-	-	-
Undesignated, reported in:				
General fund	7,227,502	-	-	-
Special revenue funds	-	1,540,859	947,376	2,245,562
Capital projects funds	-	-	-	-
Total fund balances	<u>7,387,312</u>	<u>1,971,962</u>	<u>947,376</u>	<u>3,365,251</u>
Total liabilities and fund balances	<u>\$ 8,407,684</u>	<u>\$ 2,216,647</u>	<u>\$ 987,685</u>	<u>\$ 3,365,251</u>

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

Other Grants and Contracts Fund	County Permanent Fund	Other Governmental Funds	Total Governmental Funds
\$ 15,354	\$ 50,000,000	\$ 7,973,889	\$ 70,158,428
42,140	-	293,607	977,927
280,136	-	-	361,811
-	-	-	15,598
-	-	-	1,257,708
-	-	79,992	305,913
-	-	-	585,000
<u>\$ 337,630</u>	<u>\$ 50,000,000</u>	<u>\$ 8,347,488</u>	<u>\$ 73,662,385</u>
753	-	130,184	187,593
5,293	-	52,128	561,798
375,000	-	210,000	585,000
-	-	545,993	886,747
-	-	-	403,579
<u>381,046</u>	<u>-</u>	<u>938,305</u>	<u>2,624,717</u>
-	50,000,000	-	50,000,000
-	-	2,009,230	2,009,230
-	-	-	159,810
-	-	1,058,601	2,609,393
-	-	100,000	100,000
-	-	-	7,227,502
(43,416)	-	3,650,116	8,340,497
-	-	591,236	591,236
<u>(43,416)</u>	<u>50,000,000</u>	<u>7,409,183</u>	<u>71,037,668</u>
<u>\$ 337,630</u>	<u>\$ 50,000,000</u>	<u>\$ 8,347,488</u>	<u>\$ 73,662,385</u>

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STATE OF NEW MEXICO
 CHAVES COUNTY
 Reconciliation of Governmental Funds Balance Sheet
 to the Statement of Net Assets
 June 30, 2006

Exhibit B-1
 (Page 2 of 2)

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

Fund balances - Total Governmental Funds	\$ 71,037,668
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	104,479,282
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	381,803
The issuance of long-term debt uses current financial resources to pay for expenditures such as bond issuance costs and therefore are current expenditures in the funds:	
Bond costs	211,893
Accrued interest	(310,567)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	<u>(14,122,222)</u>
Net assets of governmental activities	<u><u>\$ 161,677,857</u></u>

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

STATE OF NEW MEXICO
CHAVES COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balances
Major Governmental Funds
For the Year Ended June 30, 2006

	General Fund	Road Fund	Indigent Hospital Claims Fund	County Income Fund
REVENUES				
Taxes	\$ 9,264,708	\$ 625,878	\$ 2,715,294	\$ -
Intergovernmental	124,496	1,112,651	-	-
Licenses and permits	131,434	-	-	-
Charges for services	566,364	-	-	-
Refunds and recoveries	4,623	-	-	-
Interest on investments	385,923	-	88,873	49,840
Miscellaneous	2,128,198	227,804	26,801	1,123,836
Total revenues	<u>12,605,746</u>	<u>1,966,333</u>	<u>2,830,968</u>	<u>1,173,676</u>
EXPENDITURES				
Current:				
General government	5,040,960	-	-	-
Public safety	6,296,195	-	-	-
Highways and streets	-	3,877,585	-	-
Conservation of natural resources	-	-	-	-
Health and welfare	-	-	4,223,700	1,137,697
Special grants and projects	-	-	-	-
Culture and recreation	150,000	-	-	-
Capital outlay	310,398	254,689	-	-
Debt service:				
Principal	-	-	-	-
Commissions	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>11,797,553</u>	<u>4,132,274</u>	<u>4,223,700</u>	<u>1,137,697</u>
Excess (deficiency) of revenues over expenditures	808,193	(2,165,941)	(1,392,732)	35,979
Other financing sources (uses):				
Operating transfers in (out)	(275,557)	2,075,458	1,531,949	(3,348,666)
Other	-	-	-	-
Net change in fund balances	<u>532,636</u>	<u>(90,483)</u>	<u>139,217</u>	<u>(3,312,687)</u>
Fund balances - beginning of the year	6,854,676	804,737	808,159	6,677,938
Prior period adjustment	-	1,257,708	-	-
Fund balances - as restated	<u>6,854,676</u>	<u>2,062,445</u>	<u>808,159</u>	<u>6,677,938</u>
Fund balances - end of the year	<u>\$ 7,387,312</u>	<u>\$ 1,971,962</u>	<u>\$ 947,376</u>	<u>\$ 3,365,251</u>

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

Other Grants and Contracts Fund	County Permanent Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,570,234	\$ 16,176,114
878,662	-	1,799,206	3,915,015
-	-	-	131,434
-	-	63,016	629,380
-	-	-	4,623
-	-	160,823	685,459
-	-	150,650	3,657,289
<u>878,662</u>	<u>-</u>	<u>5,743,929</u>	<u>25,199,314</u>
-	-	2,095,915	7,136,875
-	-	534,731	6,830,926
-	-	500	3,878,085
-	-	766,868	766,868
-	-	141,238	5,502,635
224,742	-	37,187	261,929
-	-	-	150,000
627,278	-	448,203	1,640,568
-	-	1,135,000	1,135,000
-	-	2,081	2,081
-	-	640,900	640,900
<u>852,020</u>	<u>-</u>	<u>5,802,623</u>	<u>27,945,867</u>
26,642	-	(58,694)	(2,746,553)
8,995	-	7,821	-
-	-	-	-
<u>35,637</u>	<u>-</u>	<u>(50,873)</u>	<u>(2,746,553)</u>
(79,053)	50,000,000	7,460,056	72,526,513
-	-	-	1,257,708
<u>(79,053)</u>	<u>50,000,000</u>	<u>7,460,056</u>	<u>73,784,221</u>
<u>\$ (43,416)</u>	<u>\$ 50,000,000</u>	<u>\$ 7,409,183</u>	<u>\$ 71,037,668</u>

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STATE OF NEW MEXICO
 CHAVES COUNTY
 Reconciliation of Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2006

Exhibit B-2
 (Page 2 of 2)

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

Net change in fund balances - total governmental funds	\$ (2,746,553)
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>	
Capital asset purchases capitalized	1,640,568
Depreciation expense	(2,174,889)
Loss on disposal	(3,662)
The effect of cleanup of items included in capital assets is to increase net assets	(7,437)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:</p>	
Property taxes	49,930
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities:</p>	
Changes in the reserve for compensated absences	(6,061)
Principal payments on bonds	1,135,000
Principal payments on notes	24,615
Principal payments on capital leases	46,490
Change in accrued interest	24,758
Amortization of bond issuance costs	(14,126)
Change in net assets of governmental activities	\$ (2,031,367)

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

STATE OF NEW MEXICO
CHAVES COUNTY

Exhibit C-1
(Page 1 of 4)

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,528,550	\$ 9,348,152	\$ 9,348,147	\$ (5)
Intergovernmental	258,185	124,497	124,496	(1)
Licenses and fees	96,000	132,070	131,434	(636)
Charges for services	710,850	568,079	567,729	(350)
Refunds and recoveries	4,000	4,624	4,623	(1)
Interest on investments	493,500	520,161	405,382	(114,779)
Miscellaneous	1,648,334	2,128,297	2,128,198	(99)
	<u>11,739,419</u>	<u>12,825,880</u>	<u>12,710,009</u>	<u>(115,871)</u>
EXPENDITURES				
Current:				
General government:				
Administration:				
Personnel services	1,119,631	1,233,120	1,219,120	14,000
Operating expenses	583,264	826,816	667,976	158,840
Supplies	27,447	33,663	26,378	7,285
Total administration	<u>1,730,342</u>	<u>2,093,599</u>	<u>1,913,474</u>	<u>180,125</u>
Maintenance and operations:				
Personnel services	803,482	856,569	845,222	11,347
Operating expenses	509,674	413,149	359,728	53,421
Supplies	52,700	56,342	50,985	5,357
Total maintenance and operations	<u>1,365,856</u>	<u>1,326,060</u>	<u>1,255,935</u>	<u>70,125</u>
Recording and filing:				
Personnel services	546,598	542,023	507,051	34,972
Operating expenses	123,159	123,457	103,512	19,945
Supplies	12,030	17,935	16,061	1,874
Total recording and filing	<u>681,787</u>	<u>683,415</u>	<u>626,624</u>	<u>56,791</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Exhibit C-1
(Page 2 of 4)

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Expenditures: (continued)</i>				
General government: (continued)				
Property tax assessments:				
Personnel services	466,257	467,802	465,020	2,782
Operating expenses	84,440	80,228	60,043	20,185
Supplies	4,250	6,922	6,545	377
Total property tax assessments	<u>554,947</u>	<u>554,952</u>	<u>531,608</u>	<u>23,344</u>
Tax collection:				
Personnel services	271,055	268,950	257,446	11,504
Operating expenses	63,723	64,278	43,240	21,038
Supplies	3,555	5,405	3,974	1,431
Total tax collection	<u>338,333</u>	<u>338,633</u>	<u>304,660</u>	<u>33,973</u>
Other general government:				
Personnel services	45,641	59,316	54,597	4,719
Operating expenses	6,659	8,369	6,736	1,633
Supplies	400	775	774	1
Total other general government	<u>52,700</u>	<u>68,460</u>	<u>62,107</u>	<u>6,353</u>
Support to other agencies:				
Special grants and projects	267,879	322,989	303,953	19,036
Supplies	-	500	163	337
Support	15,000	15,000	15,000	-
Total other general government	<u>282,879</u>	<u>338,489</u>	<u>319,116</u>	<u>19,373</u>
Total general government	<u>5,006,844</u>	<u>5,403,608</u>	<u>5,013,524</u>	<u>390,084</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Exhibit C-1
(Page 3 of 4)

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Expenditures: (continued)</i>				
Public safety:				
Law enforcement:				
Personnel services	3,046,202	2,972,357	2,829,843	142,514
Operating expenses	475,632	542,827	430,134	112,693
Supplies	24,500	25,983	14,423	11,560
Total law enforcement	3,546,334	3,541,167	3,274,400	266,767
Prisoner detention:				
Personnel services	2,731,038	2,717,413	2,705,598	11,815
Operating expenses	329,582	252,006	162,856	89,150
Supplies	13,950	22,315	20,245	2,070
Total prisoner detention	3,074,570	2,991,734	2,888,699	103,035
General public safety:				
Personnel services	50,217	50,686	50,497	189
Operating expenses	13,486	13,775	8,874	4,901
Supplies	6,000	6,660	6,657	3
Total general public safety	69,703	71,121	66,028	5,093
Total public safety	6,690,607	6,604,022	6,229,127	374,895
Culture and recreation:				
Economic development:				
Operating expenses	150,000	150,000	150,000	-
Total economic development	150,000	150,000	150,000	-
Capital outlay	323,300	561,078	357,503	203,575
Total expenditures	12,170,751	12,718,708	11,750,154	968,554

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Exhibit C-1
(Page 4 of 4)

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over expenditures	(431,332)	107,172	959,855	852,683
Other financing sources (uses):				
Designated cash balance	387,254	562,065	-	(562,065)
Operating transfers in (out)	44,078	(669,237)	(275,558)	393,679
Total other financing sources (uses)	431,332	(107,172)	(275,558)	(168,386)
Net change in fund balances	-	-	684,297	684,297
Fund balances - beginning of year	-	-	6,818,524	6,818,524
Fund balance - end of the year	\$ -	\$ -	\$ 7,502,821	\$ 7,502,821

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

STATE OF NEW MEXICO
CHAVES COUNTY

Exhibit C-2

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Road Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 660,000	\$ 660,000	\$ 659,199	\$ (801)
Intergovernmental	1,010,300	1,110,717	1,110,463	(254)
Miscellaneous	165,742	240,742	234,694	(6,048)
	1,836,042	2,011,459	2,004,356	(7,103)
EXPENDITURES				
Current:				
Highways and streets:				
Personnel services	2,182,964	2,217,790	2,186,266	31,524
Operating expenses	1,674,958	1,854,022	1,614,084	239,938
Supplies	66,450	78,220	76,665	1,555
Total highways and streets	3,924,372	4,150,032	3,877,015	273,017
Captial Outlay	313,500	313,500	254,691	58,809
Total expenditures	4,237,872	4,463,532	4,131,706	331,826
Excess (deficiency) of revenues over expenditures	(2,401,830)	(2,452,073)	(2,127,350)	324,723
Other financing sources (uses):				
Designated cash balance	(49,058)	1,185	-	(1,185)
Operating transfers in (out)	2,450,888	2,450,888	2,075,458	(375,430)
Total other financing sources (uses)	2,401,830	2,452,073	2,075,458	(376,615)
Net change in fund balances	-	-	(51,892)	(51,892)
Fund balance - beginning of year	-	-	796,097	796,097
Fund balance - end of the year	\$ -	\$ -	\$ 744,205	\$ 744,205

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Exhibit C-3

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Indigent Hospital Claims Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,317,400	\$ 2,560,717	\$ 2,560,709	\$ (8)
Interest on investments	25,000	88,875	88,873	(2)
Miscellaneous	5,000	26,805	26,801	(4)
	<u>2,347,400</u>	<u>2,676,397</u>	<u>2,676,383</u>	<u>(14)</u>
EXPENDITURES				
Current:				
Health and welfare:				
Personnel services	108,191	103,163	102,009	1,154
Operating expenses	3,349,589	4,409,665	4,119,005	290,660
Supplies	1,500	3,575	3,570	5
Total health and welfare	<u>3,459,280</u>	<u>4,516,403</u>	<u>4,224,584</u>	<u>291,819</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,459,280</u>	<u>4,516,403</u>	<u>4,224,584</u>	<u>291,819</u>
Excess (deficiency) of revenues over expenditures	<u>(1,111,880)</u>	<u>(1,840,006)</u>	<u>(1,548,201)</u>	<u>291,805</u>
Other financing sources (uses):				
Designated cash balance	(33,120)	(160,192)	-	160,192
Operating transfers in (out)	1,145,000	2,000,198	1,531,949	(468,249)
Total other financing sources (uses)	<u>1,111,880</u>	<u>1,840,006</u>	<u>1,531,949</u>	<u>(308,057)</u>
Net change in fund balances	-	-	(16,252)	(16,252)
Fund balance - beginning of year	-	-	809,043	809,043
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 792,791</u>	<u>\$ 792,791</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Exhibit C-4

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
County Income Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 2,100,000	\$ 3,978,185	\$ 219,742	\$ (3,758,443)
Miscellaneous	-	3,011,580	3,011,578	(2)
	<u>2,100,000</u>	<u>6,989,765</u>	<u>3,231,320</u>	<u>(3,758,445)</u>
EXPENDITURES				
Current:				
Health and welfare:				
Personnel services	15,000	15,000	-	15,000
Operating expenses	150,000	1,150,000	1,137,697	12,303
	<u>165,000</u>	<u>1,165,000</u>	<u>1,137,697</u>	<u>27,303</u>
Excess (deficiency) of revenues over expenditures	<u>1,935,000</u>	<u>5,824,765</u>	<u>2,093,623</u>	<u>(3,731,142)</u>
Other financing sources (uses):				
Designated cash balance	1,709,966	(2,219,351)	-	2,219,351
Operating transfers in (out)	(3,644,966)	(3,605,414)	(3,348,666)	256,748
	<u>(1,935,000)</u>	<u>(5,824,765)</u>	<u>(3,348,666)</u>	<u>2,476,099</u>
Net change in fund balances	-	-	(1,255,043)	(1,255,043)
Fund balance - beginning of year	-	-	4,620,293	4,620,293
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,365,250</u>	<u>\$ 3,365,250</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Exhibit C-5

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Other Grants and Contracts Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 2,337,486	\$ 596,711	\$ (1,740,775)
	-	2,337,486	596,711	(1,740,775)
EXPENDITURES				
Current:				
General government:				
Personnel services	21,925	29,393	29,389	4
Operating expenses	25	284,080	186,991	97,089
Supplies	-	17,614	17,595	19
Total expenditures	21,950	331,087	233,975	97,112
Capital outlay	-	1,898,919	627,278	1,271,641
Total expenditures	21,950	2,230,006	861,253	1,368,753
Excess (deficiency) of revenues over expenditures	(21,950)	107,480	(264,542)	(372,022)
Other financing sources (uses):				
Designated cash balance	21,950	(116,475)	-	116,475
Operating transfers in (out)	-	8,995	8,995	-
Total other financing sources (uses)	21,950	(107,480)	8,995	116,475
Net change in fund balances	-	-	(255,547)	(255,547)
Fund balance - beginning of year	-	-	(109,391)	(109,391)
Fund balance - end of the year	\$ -	\$ -	\$ (364,938)	\$ (364,938)

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

STATE OF NEW MEXICO
CHAVES COUNTY
Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2006

Exhibit D

ASSETS	<u>Agency Funds</u>
Cash and cash equivalents	\$ 376,432
Prepaid expenses	286
Receivables:	
Property Taxes	950,832
Oil & Gas Taxes	<u>93,473</u>
 Total assets	 <u><u>\$ 1,421,023</u></u>
 LIABILITIES	
Accrued liabilities	\$ 2,854
Due to other taxing units	<u>1,418,169</u>
 Total liabilities	 <u><u>\$ 1,421,023</u></u>

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

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chaves County (the County) is a political sub-division of the State of New Mexico established and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissioners form of government and provides the following services as authorized by public law: public safety (police and fire), roads, health and social services, farm and range, recreation, tourist promotion and general administrative services.

This summary of significant accounting policies of the County is presented to assist in the understanding of the County's financial statements. The financial statements and notes are the representation of the County's management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County does not have component units and is not a component unit of another governmental agency.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road Fund (Special Revenue) accounts for the motor vehicle fees flowing through the state, general fund transfers and other miscellaneous sources used to maintain county roads. (4-55A-40 through 43 NMSA 1978)

The Indigent Hospital Claims Fund (Special Revenue) is used to account for monies received from a countywide tax levy. Expenditures are restricted to the payment of approved claims and administrative costs. (Ordinance #18-6-85, 27-5-7 NMSA 1978)

The County Income Fund (Special Revenue) is used to account for earnings from the investments of the Permanent Fund. The money may be budgeted and appropriated for any purpose the County Commissioners deem appropriate. (Ordinance #55)

The Other Grants and Contracts Fund (Special Revenue) is used to account for revenues and expenditures to assist in meeting the cost of special grants and projects. (Resolution 95-41)

The County Permanent Fund is used to account for monies transferred to the Permanent Fund. As a result of Ordinance #54, the County Commissioners established a Permanent Fund. Monies in the Permanent fund may be appropriated or expended only pursuant to approval of the voters of Chaves County. The amount that may be deposited in the Permanent Fund is any portion of the unappropriated general fund surplus that is in excess of 50% of the prior year's budget of the County. At June 30, 1999, \$50,000,000 was transferred to the Permanent Fund that is maintained within the County Income Fund. Overall, it is the County's intention that certain assets resulting from the sale of Eastern New Mexico Medical Center (effective April 1, 1998), and currently reported in the County Income Fund be deposited into the Permanent Fund.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the government reports the following fund types:

The Fiduciary Funds account for the collection and payment of property taxes and special fees to other governmental agencies.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Receivables and Payables (Continued)

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are not recorded as revenue until received.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

Accrued expenses consist of \$440,973 in payroll and related tax liabilities and \$120,825 in purchase card liabilities as of 6/30/06.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9C(5).

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. However, infrastructure assets are not depreciated. The County has elected to use the modified method in accounting for infrastructure assets. The modified method allows governments to report as expenses in lieu of depreciation, infrastructure expenditures that maintain the asset but do not add to nor improve the asset. Additions and improvements to infrastructure assets are capitalized. The County uses an asset management system to rate the condition of infrastructure assets and quantify the results of maintenance efforts. Additional information is shown in the Required Supplemental Information section of this report.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets (Continued)

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	40 years
Vehicles and equipment (including software)	5-20 years
Infrastructure	40 years

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.

H. Deferred Revenues

Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues.

I. 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.

The county permits eligible employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the County. A long-term liability of \$156,948 of accrued vacation at June 30, 2006, has been recorded in the government-wide financial statements as non-current liabilities. Vacation pay that is expected to be liquidated within the next twelve months is reported in the government fund that will pay it.

J. Long-Term Debt

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences, notes payable and bonds payable. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 are reported as expenditures.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Equity Classifications

Government-wide statements

Equity is classified as net assets 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 notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 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.”

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the County first uses restricted resources then unrestricted resources.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Designated funds are for subsequent year expenditures.

L. Use of Estimates

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

M. Inventories

Inventories of the Road Fund consist of materials used in the Department's operations and are accounted for using the consumption method whereby inventories are recorded as expenditures in the period when used. Inventories are stated at the lower of average cost or market. Reported inventories are equally offset by the fund balance reserve, which indicates that they do not constitute an "available expendable resource."

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

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.

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

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

The Board of County Commissioners throughout the year properly amended the appropriated budget for the year ended June 30, 2006. These amendments resulted in the following changes:

	Designated Cash Generated (Required) to Balance Budget	
	Original Budget	Final Budget
Budgeted funds:		
General	\$ 387,254	\$ 562,065
Road	(49,058)	1,185
Indigent Hospital Claims	(33,120)	(160,192)
County Income	1,709,966	(2,219,351)
Other Grants and Contracts	21,950	(116,475)
County Permanent	-	-
Other	1,888,925	1,780,058
	\$ 3,925,917	\$ (152,710)

The County is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

The following is a reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund type.

	General Fund	Road	Indigent Hospital Claims	County Income	Other Grants & Contracts	County Permanent Fund	Other Govt. Fund
Net Change in Fund Balance (GAAP basis)	\$ 532,636	\$ (90,483)	\$ 139,217	\$(3,312,687)	\$ 35,637	\$ -	\$ (93,073)
Adjustments:							
Receivables	(466,466)	(83,345)	(154,585)	169,902	(291,937)	-	(251,407)
Prepays	(49,357)	8,641	(884)	-	-	-	(1,056)
Accounts payable	16,788	757	-	-	753	-	(57,134)
Accrued expenses	60,634	16,209	-	-	-	-	-
Deferred revenue	282,816	-	-	-	-	-	41,049
Comp. absences	307,249	96,330	-	-	-	-	-
Other	(3)	(1)	-	1,887,742	-	-	(8)
Net Change in Fund Balance (Budget Basis)	\$ 684,297	\$ (51,892)	\$ (16,252)	\$(1,255,043)	\$ (255,547)	\$ -	\$ (361,629)

NOTE 3. DEPOSITS AND INVESTMENTS

Credit Risk, Custodial Credit Risk, Concentration of Credit Risk and Interest Rate Risk—Segmented Time Distribution

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2006.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loans associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States Treasury bills of the same maturity on the day of deposit.

Excess of funds may temporarily be invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2006 the carrying amount of the County's deposits was \$6,691,894. The total cash and temporary investment balance per the financial institutions was \$7,530,663 and consisted of demand deposits and certificates of deposit. Of this balance, \$800,000 was covered by federal depository insurance and \$7,417,346 was covered by collateral held in joint safekeeping by a third party in the County's name. The remaining \$4,052,014 is comprised of amounts in excess of those required to be collateralized under State law and cash on hand. Because this amount is uninsured and uncollateralized, it is exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2006 \$80,553 of the County's \$7,530,663 in deposits were exposed to custodial credit risk.

The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	First Federal Bank	Pioneer Bank	Wells Fargo Bank	Bank of America	Valley Bank of Commerce	First National Bank	Total
Total amount of deposits	\$ 1,000,000	\$ 3,815,560	\$ 600,000	\$ 1,115,103	\$ 500,000	\$ 500,000	\$ 7,530,663
FDIC coverage	100,000	200,000	200,000	100,000	100,000	100,000	800,000
Total uninsured public funds	\$ 900,000	\$ 3,615,560	\$ 400,000	\$ 1,015,103	\$ 400,000	\$ 400,000	\$ 6,730,663
Collateral requirement	\$ 450,000	\$ 1,807,780	\$ 200,000	\$ 507,552	\$ 200,000	\$ 200,000	\$ 3,365,332
Pledged security	1,097,327	3,535,007	501,295	1,019,972	740,406	523,339	7,417,346
Over collateralized	\$ 647,327	\$ 1,727,227	\$ 301,295	\$ 512,420	\$ 540,406	\$ 323,339	\$ 4,052,014

The types of collateral allowed are limited to direct obligations of the United States government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public demand deposits at the same institution.

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

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 funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United State 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; at the end of each 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 amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2006. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary.

As of June 30, 2006, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Bills	\$ 3,100,646	\$ -	\$ 3,100,646	\$ -	\$ -
<u>U.S. Government Agencies</u>					
Federal National Mortgage Association	13,431,481	199,438	7,132,496	5,646,501	453,046
Federal Home Loan Mortgage Corporation	28,941,928	8,086,983	12,424,824	6,491,441	1,938,680
Federal Home Loan Bank	11,099,046	996,700	6,744,689	3,357,657	-
Federal Farm Credit Bank	2,645,000	-	2,645,000	-	-
Federal Agricultural Mortgage Corporation	1,928,104	-	1,928,104	-	-
Government National Mortgage Association	9,233	-	-	9,233	-
State Investment Pool	1,204,800	-	1,204,800	-	-
Money Market and Cash Funds	1,466,996	1,466,996	-	-	-
Total	\$63,827,234	\$ 10,750,117	\$35,180,559	\$15,504,832	\$2,391,726

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the County sets forth specific investment selection criteria in its investment policy. The investment policy states specifically:

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

1. Cash and cash equivalents may include Treasury bills, certificates of deposit due within 12 months, and money market funds that invest in approved securities.
2. The maximum maturity of any individual security cannot be greater than 8 years. Mutual funds and trust funds with a longer maturity may be purchased provided that the aggregate weighted maturity of the entire Fund portfolio is less than 5 years.
3. The weighted duration of the portfolio should never exceed 5 years unless there is prior review by the County Treasurer.

Credit Risk – As previously stated, State statutes allow the County to invest funds in a wide variety of instruments. However, at June 30, 2006 the County had limited the majority of its investments to those back by the full faith and credit of the United States government and its agencies as illustrated above. In addition, the investments in agencies of the United States were rated Aaa/AAA by Moody's Investors Service.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County requires all investment securities to be held in third-party safekeeping by an institution acceptable to the County. The safekeeping institution is required to issue a safekeeping receipt or book entry notice to the County listing the specific instrument, rate, amount, maturity date, instrument number, term and other pertinent information. In addition, any financial institution holding securities for the benefit of the County is required to provide insurance sufficient to cover 100% of the securities.

Concentration of Credit Risk - The County places no limit on the amount the district may invest in any one issuer. GASB Statement 40 requires disclosure when the percent invested is 5% or more in any one issuer. The investment in US Treasury Bills is 5%, while the Federal National Mortgage Association is 21%, the Federal Home Loan Mortgage Corporation is 45%, and the Federal Home Loan Bank is 17%. However, as previously illustrated, 5% of the County's investments are backed by the full faith and credit of the United States government and 93% are guaranteed by agencies sponsored by the United States government. These types of investments are considered to have minimal risk associated with them.

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 4. RECEIVABLES

Receivables as of June 30, 2006, are as follows:

	General	Road	Indigent Hospital Claims	Other Grants and Contracts	Other Govt. Funds	Total
Receivables:						
Taxes:						
State of NM	\$ -	\$ -	\$ 154,585	\$ 42,140	\$ -	\$ 196,725
Gasoline Tax	61,523	30,790	-	-		92,313
Oil & Gas Tax	-	-	-	-	239,242	239,242
Property Tax	395,282	-	-	-	54,365	449,647
Interest	15,598	-	-	-	-	15,598
Intergovernmental:						
City of Roswell	29,120	-	-	236,892	-	266,012
Dept. of Justice	-	-	-	43,244	-	43,244
Dept. of Finance & Administration	-	52,555	-	-	-	52,555
Net receivables	<u>\$501,523</u>	<u>\$ 83,345</u>	<u>\$154,585</u>	<u>\$ 322,276</u>	<u>\$293,607</u>	<u>\$ 1,355,336</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, unbilled and delinquent property taxes were \$449,647.

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers reflect a temporary transfer of cash due to temporary needs within the fund. The composition of interfund transfers during the year ended June 30, 2006 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Fire & Ambulance	General Fund	5,000
Fire & Ambulance	Berrendo Fire Fund	5,000
Fire & Ambulance	Chaves County Fire District #8	2,000
Fire & Ambulance	Dunken Fire Fund	2,000
Fire & Ambulance	East Grand Plains Fund	4,000
Fire & Ambulance	Midway Fire Fund	4,000
Fire & Ambulance	Penasco Fire Fund	3,000
Fire & Ambulance	Rio Felix Fire Fund	1,000
Fire & Ambulance	Sierra Fire Fund	4,000
County Income Fund	General Fund	1,747,483
County Income Fund	Road Fund	1,447,483
General Fund	Road Fund	627,975
General Fund	Indigent Hospital Claims	1,513,949
General Fund	Other Grants & Contracts Fund	4,825
General Obligation Bond - Debt Service	General Fund	878
Public Safety Grants Fund	Agency Fund	37,187

The County recorded interfund receivables/payables to reflect a temporary loan between funds. These funds are expected to be paid back within a year.

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Public Safety Grants	\$ 10,000
General Fund	Other Grants and Contracts	375,000
General Fund	CDBG	200,000

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 6. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2006, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Balance at July 1, 2005	Additions	Disposals	Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,877,268	\$ 735,215	\$ -	\$ -	\$ 3,612,483
Construction in progress	16,672,857	52,767	(16,295,169)	(96,681)	333,774
Infrastructure	57,835,297	-	-	-	57,835,297
Total capital assets, not being depreciated	77,385,422	787,982	(16,295,169)	(96,681)	61,781,554
Capital assets, being depreciated:					
Buildings	31,305,164	15,915,501	-	96,681	47,317,346
Machinery and equipment	19,556,667	1,232,254	(127,850)	-	20,661,071
Total capital assets, being depreciated	50,861,831	17,147,755	(127,850)	96,681	67,978,417
Less accumulated depreciation:					
Buildings and improvements	(11,223,638)	(905,554)	-	(7,437)	(12,136,629)
Machinery and Equipment	(11,998,910)	(1,269,338)	124,188	-	(13,144,060)
Total accumulated depreciation	(23,222,548)	(2,174,892)	124,188	(7,437)	(25,280,689)
Total capital assets, being depreciated, net	27,639,283	14,972,863	(3,662)	89,244	42,697,728
Governmental capital assets, net	\$105,024,705	\$15,760,845	\$(16,298,831)	\$ (7,437)	\$ 104,479,282

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 6. CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 1,331,520
Public safety and judiciary	554,216
Special grants	177,154
Cultural and recreation	73,087
Health and welfare	36,544
Total depreciation expense	<u>\$2,172,521</u>

NOTE 7. LEASES

A. Rental Income Under Operating Leases

The County leases various real estate to others. These leases are operating leases which expire over various periods from 1 to 15 years, excluding renewal options.

The carrying amounts of the County's property held for leasing are as follows:

	<u>Governmental Activities</u>
Assets:	
Land	\$1,879,501
Buildings, net of accumulated depreciation	1,477,895
Construction in progress	<u>16,672,857</u>
Total	<u>\$20,030,253</u>

The following is a schedule of minimum future rental income for the next five years and thereafter on non-cancelable operating leases, excluding renewal options, through the year 2021:

	<u>Governmental Activities</u>
Year ending June 30,	
2007	\$261,676
2008	213,600
2009	213,600
2010	219,800
2011	218,000
2012-2016	1,152,200
2017-2021	<u>983,400</u>
Total future minimum lease income	<u>\$3,262,276</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 7. LEASES (Continued)

B. Rental Expense Under Operating Leases

The County is committed under various leases for machinery and equipment. These leases are considered for accounting purposes as operating leases. Lease expenses for the fiscal year totaled \$309,178. The future minimum lease payments for the leases are as follows:

	Governmental Activities
Year ending June 30,	
2007	\$ 877,829
2008	402,636
2009	344,909
2010	112,496
2011	469,913
Total future minimum lease income	\$ 2,207,783

NOTE 8. LONG TERM DEBT

Gross Receipts Tax Revenue Bonds

The County issued bonds were the County pledges income derived from gross receipts taxes levied to pay debt service. The County issued \$15,000,000 of gross receipts tax revenue bonds in prior years to finance the construction and remodel of the County Courthouse. Gross receipts tax revenue bonds outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.50% - 5.00%	\$13,235,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 425,000	\$ 609,369
2008	475,000	594,150
2009	525,000	575,863
2010	625,000	553,075
2011	725,000	525,037
2012 – 2016	4,320,000	2,091,425
2017 – 2021	5,980,000	812,233
2022	160,000	4,000
	\$ 13,235,000	\$ 5,765,152

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 8. LONG TERM DEBT (Continued)

A description of bonds payable at June 30, 2006 is as follows:

Gross Receipts Tax Revenue Bonds

Series: 2002

Original Issue: \$15,000,000

Principal: July 1

Interest: January 1 and July 1

Maturity: July 1, 2021

Rate: 2.55% to 5.00% Variance is due to a gradual annual increase over the life of the loan.

The County entered into several debt finance agreements with the New Mexico Finance Authority to purchase various equipment. Notes payable outstanding at June 30, 2006, consisted of the following:

Origination: August 10, 2002

Original Amount: \$60,000

Principal: May 1

Interest: May 1 and November 1

Maturity: May 1, 2012

Rate: 3.0%

Purpose: To purchase fire equipment for the Berrendo Fire District.

Origination: March 21, 2004

Original Amount: \$125,000

Principal: May 1

Interest: May 1 and November 1

Maturity: May 1, 2023

Rate: 3.0%

Purpose: To purchase fire equipment for the Chaves County Fire District #8.

Origination: June 21, 2002

Original Amount: \$32,000

Principal: May 1

Interest: May 1 and November 1

Maturity: May 1, 2013

Rate: 3.0%

Purpose: To purchase fire equipment for the Berrendo Fire District.

Origination: April 1, 2004

Original Amount: \$269,708

Principal: May 1

Interest: May 1 and November 1

Maturity: May 1, 2024

Rate: 0.9% - 4.27%

Purpose: To purchase fire equipment for the East Grand Plains Fire District.

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 8. LONG TERM DEBT (Continued)

The annual requirements to amortize the notes payable outstanding as of June 30, 2006, including interest payments are as follows:

Year Ending June 30,	Principal	Interest
2007	\$ 24,645	\$ 14,339
2008	25,262	13,725
2009	25,931	13,057
2010	26,652	12,338
2011	27,422	11,374
2012 – 2016	161,551	45,998
2017 – 2021	76,768	27,700
2022 – 2026	54,325	5,658
	\$ 422,556	\$ 144,189

Changes in long-term liabilities

Long-term debt activity for the year ended June 30, 2006, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts tax revenue bonds	14,370,000	-	1,135,000	13,235,000	425,000
Total bonds payable	14,370,000	-	1,135,000	13,235,000	425,000
Capital leases	354,210	-	46,490	307,720	46,490
Notes payable	447,170	-	24,614	422,556	24,645
Compensated Absences	538,890	459,916	438,279	560,527	403,579
Governmental activities long-term liabilities	\$15,710,270	\$ 459,916	\$ 1,644,383	\$14,525,803	\$ 899,714

Compensated absences have been paid by the fund from which the employees' salaries are paid. The majority is paid from the General Fund and the Road Fund.

**STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006**

NOTE 9. RISK MANAGEMENT

Chaves County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive care insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico's counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The actuarial gains and losses were not available at the date of this report. However, the County is not liable for more than the premiums paid.

NOTE 10. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. One fund reflected a deficit fund balance as of June 30, 2006:

	Special Revenue Funds
Other Grants and Contracts	\$ 43,416

- B. Excess of expenditures over appropriations.

None

NOTE 11. PERA PENSION PLAN

Plan Description

Substantially all of Chaves County's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMS 1978.) The Public Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issued a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Funding Policy

Plan members are required to contribute 15.65% for municipal employees and 16.3% of gross salaries for law enforcement employees. The County is required to contribute 18.5% for law enforcement plan members and 11.65% for all other plan members. The contribution requirements of plan members and Chaves County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ended June 30, 2006, 2005, and 2004 were \$1,081,602, \$1,025,133, and \$1,005,056, equal to the amount of the required contributions for the years, respectively.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 12. POST-EMPLOYMENT BENEFITS

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

Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act, Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act., Judicial Retirement Act or the Magistrate Retirement Act. Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retired on or before July 1, 1995, in which event that time period required for employee and employer contributions shall become the period of time between July 1, 1990, and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years. Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each participating employee contributes to the fund an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to July 1, 1990 or is a former legislator. Participants may also enroll in optional plans of coverage.

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

The Retiree Health Care Authority issued a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to 4308 Carlisle Blvd, NE, Suite 104, Albuquerque, New Mexico 87107.

For the years ended June 30, 2006, 2005, and 2004, the County remitted \$94,382, \$89,401, and \$87,697, respectively, in employer contributions to the Retiree Health Care Authority.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 13. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 County expects such amount, if any, to be immaterial.

The County is involved in various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. The opinion of management is that the outcome of these matters will not have a material effect on the financial position of the County.

NOTE 14. BASIS OF PRESENTATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Chaves County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in, or used in the preparation of the governmental fund financial statements may not be consistent with amounts used in the Schedule of Expenditures of Federal Awards.

NOTE 15. ACCOUNTING STANDARDS

In November 2003, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, which is effective for financial statements for periods beginning after December 15, 2004. This statement requires governments to report the effects of capital asset impairments in their financial statements when they occur rather than as part of the ongoing depreciation expense for the capital asset or upon disposal of the capital asset. The County has analyzed the effect that this standard has on its financial statements and currently believes it has no significant effect on the financial statements.

In December 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*. The Statement amends GASB Statement No. 34, paragraph 34, to clarify that, for the purpose of reporting restricted net assets, a legally enforceable enabling legislation restriction is one that a party external to a government can compel a government to honor. The Statement also (a) specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated and (b) requires governments to disclose the portion of total net assets that is restricted by enabling legislation. GASB Statement No. 46 is effective for financial statements for the periods beginning after June 15, 2006, with earlier application encouraged. The County has analyzed the effect that this standard has on its financial statements and currently believes it has no significant effect on the financial statements.

STATE OF NEW MEXICO
CHAVES COUNTY
Notes to Financial Statements
June 30, 2006

NOTE 16. SELF-INSURANCE

The County has established a self-insured dental program for employees, employees' spouses and their children. Payments are made to Dental Source for 100% of preventative services, 80% of basic services and 50% of major services. The plan has a maximum of \$1,000 per enrolled person on a contract year basis. During the year, the County paid claims in the amount of \$95,694 and administrative fees of \$17,823.

NOTE 17. PRIOR PERIOD ADJUSTMENT

During the current year the County determined that the road department maintains a stockpile of crusher inventory. An engineering firm was hired by the County inventory the crusher inventory. As a result it was determined that the inventory of the Road Fund was understated in the prior year by \$1,257,708. Therefore, beginning fund balance of the Road Fund has been restated and increased from \$804,737 to \$2,062,445 during the current year.

NOTE 18. CHANGE IN ACCOUNTING ESTIMATE

During the 2005 Regular Legislative Session, the Legislature enacted HB 1074 amending Section 12-6-10, NMSA 1978, which changed the capitalization threshold for moveable chattel and equipment. The 2005 amendment, effective June 17, 2005, increases the value of state property that must be inventoried and listed from \$1,000 to \$5,000. Old inventory items that do not meet the new capitalization threshold will remain on the inventory list and continue to be depreciated. Only new items received after June 17, 2005 will be added to the inventory list if they meet the new capitalization threshold.

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SUPPLEMENTARY INFORMATION

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**NONMAJOR GOVERNMENTAL
FUNDS**

STATE OF NEW MEXICO
 CHAVES COUNTY
 Combining Balance Sheet
 Non-Major Governmental Funds
 For the Year Ended June 30, 2006

Statement A-1

	Totals by Fund Type			Total Non- Major Governmental Funds
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	
ASSETS				
Cash and cash equivalents	\$ 5,470,981	\$ 1,854,626	\$ 648,282	\$ 7,973,889
Receivables:				
Taxes	138,423	154,604	580	293,607
Intergovernmental	-	-	-	-
Other	-	-	-	-
Prepaid assets	29,563	-	50,429	79,992
Total assets	\$ 5,638,967	\$ 2,009,230	\$ 699,291	\$ 8,347,488
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 129,679	\$ -	\$ 505	\$ 130,184
Accrued expenses	44,578	-	7,550	52,128
Deferred revenue	545,993	-	-	545,993
Due to other funds	210,000	-	-	210,000
Total liabilities	930,250	-	8,055	938,305
 Fund balances:				
Reserved for debt service	-	2,009,230	-	2,009,230
Unreserved:				
Designated for subsequent year's expenditures:				-
Special Revenue Funds	1,058,601	-	-	1,058,601
Capital Projects Funds	-	-	100,000	100,000
Undesignated:				
Special Revenue Funds	3,650,116	-	-	3,650,116
Capital Projects Funds	-	-	591,236	591,236
Total Fund Balances	4,708,717	2,009,230	691,236	7,409,183
Total liabilities and fund balances	\$ 5,638,967	\$ 2,009,230	\$ 699,291	\$ 8,347,488

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement A-2

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2006**

	<u>Totals by Fund Type</u>			Total Non-Major Governmental Funds
	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
REVENUES				
Taxes	\$ 1,436,625	\$ 2,122,945	\$ 10,664	\$ 3,570,234
Intergovernmental	1,799,206	-	-	1,799,206
Charges for services	63,016	-	-	63,016
Refunds and recoveries	-	-	-	-
Interest on investments	128,175	32,648	-	160,823
Miscellaneous	138,064	4,386	8,200	150,650
Total revenues	<u>3,565,086</u>	<u>2,159,979</u>	<u>18,864</u>	<u>5,743,929</u>
EXPENDITURES				
Current:				
General government	677,003	-	1,418,912	2,095,915
Public safety	534,731	-	-	534,731
Highways and streets	500	-	-	500
Conservation of natural resources	766,868	-	-	766,868
Health and welfare	141,238	-	-	141,238
Special Grants and Projects	37,187	-	-	37,187
Capital outlay	444,848	-	3,355	448,203
Debt service:				
Principal	-	1,135,000	-	1,135,000
Commissions	-	2,081	-	2,081
Interest	-	640,900	-	640,900
Total expenditures	<u>2,602,375</u>	<u>1,777,981</u>	<u>1,422,267</u>	<u>5,802,623</u>
Excess (deficiency) of revenues over expenditures	962,711	381,998	(1,403,403)	(58,694)
Other financing sources (uses):				
Operating transfers in (out)	5,000	(879)	3,700	7,821
Other	-	-	-	-
Net change in fund balances	<u>967,711</u>	<u>381,119</u>	<u>(1,399,703)</u>	<u>(50,873)</u>
Fund balances-beginning of the year,	<u>3,741,006</u>	<u>1,628,111</u>	<u>2,090,939</u>	<u>7,460,056</u>
Fund balances - end of the year	<u>\$ 4,708,717</u>	<u>\$ 2,009,230</u>	<u>\$ 691,236</u>	<u>\$ 7,409,183</u>

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

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SPECIAL REVENUE FUNDS

**STATE OF NEW MEXICO
CHAVES COUNTY
Special Revenue Fund Descriptions
June 30, 2006**

Farm and Range Fund

To account for soil conservation activities within the County. Financing is provided by the Taylor Grazing Act. (6-11-6 NMSA 1978)

Recreation Fund

To account for the operation, maintenance, and construction of County owned recreational facilities. Financing is provided by cigarette tax and other miscellaneous sources. (7-12-15 NMSA 1978)

Fire District Funds

To account for the operations and maintenance of the County's fire districts. Financing is provided by allotments from the State of New Mexico and other miscellaneous sources. (Ordinance #41, 11-24-93)

Fire and Ambulance Fund

To account for one-eighth of one cent gross receipts tax for the purpose of assisting the County's safety programs. (7-20E-15 NMSA 1978)

Law Enforcement Grant Fund

To account for a state grant restricted to training and equipment purchases for use in law enforcement. (29-13-1 NMSA 1978)

Public Safety Grants Fund

To account for revenues and expenditures for the D.A.R.E. and Narcotics grant programs. (Annually renewed agreement through Resolution)

Corrections Fees Fund

To account for the County's portion of the penalty assessment attachment to each traffic violation handled through the Magistrate Court. Expenditures are restricted to the law enforcement area. (33-3-25 NMSA 1978)

Environmental Gross Receipts Tax Fund

To account for funds generated by the Environmental Gross Receipts Tax. (Ordinance #33, 3-38-91, 7-20E-17 NMSA 1978)

Hospital Aged Accounts Fund

As a result of the sale of Eastern New Mexico Medical Center, the County received patient accounts receivable of approximately \$22.5 million. Funds received from collection of the patient accounts receivable are recorded in this fund and are available for any purpose the County Commission deems appropriate.

Flood Control Fund

To account for flood control activities. Financing is provided by property taxes. (1948 Resolution)

Special Road Construction Fund

To account for funds received for maintenance of special private roads through a Commission approved agreement. (Resolution 95-41)

STATE OF NEW MEXICO
CHAVES COUNTY
Special Revenue Fund Descriptions
June 30, 2006

Clerk Recording and Filing Fees Fund

To account for funds received from charges for County services. Funds are used to maintain clerk equipment. (Resolution 95-41)

Property Valuation Fund

To account for the administrative fee of reappraisal of property for the purpose of assessing taxes. (7-38-38.1 NMSA 1978)

Community Development Block Grant Fund

To account for revenues and expenditures under a pass through program from the State. Expenditures are restricted to the purposes approved in the grant application. (Resolution 95-41)

**STATE OF NEW MEXICO
CHAVES COUNTY
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2006**

	<u>Farm and Range Fund</u>	<u>Recreation Fund</u>	<u>Dunken Fire District Fund</u>
ASSETS			
Cash and cash equivalents	\$ 20,015	\$ 126	\$ 145,666
Receivables:			
Taxes	-	-	-
Intergovernmental	-	-	-
Other	-	-	-
Prepaid assets	-	-	2,823
	<u>20,015</u>	<u>126</u>	<u>148,489</u>
Total assets	<u>\$ 20,015</u>	<u>\$ 126</u>	<u>\$ 148,489</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 1,020
Accrued expenses	-	-	-
Deferred revenue	-	-	57,938
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>58,958</u>
Fund balances:			
Unreserved:			
Designated for subsequent year's expenditures	-	-	35,017
Undesignated:	20,015	126	54,514
Total fund balances	<u>20,015</u>	<u>126</u>	<u>89,531</u>
Total liabilities and fund balances	<u>\$ 20,015</u>	<u>\$ 126</u>	<u>\$ 148,489</u>

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

<u>East Grand Plains Fire District Fund</u>	<u>Penasco Fire District Fund</u>	<u>Midway Fire District Fund</u>	<u>Berrendo Fire District Fund</u>
\$ 256,988	\$ 149,110	\$ 120,456	\$ 183,519
-	-	-	-
-	-	-	-
-	-	-	-
3,033	2,763	3,035	3,059
<u>\$ 260,021</u>	<u>\$ 151,873</u>	<u>\$ 123,491</u>	<u>\$ 186,578</u>
\$ 744	\$ 207	\$ -	\$ 1,045
2,144	-	1,995	1,591
102,579	56,875	61,156	132,892
-	-	-	-
<u>105,467</u>	<u>57,082</u>	<u>63,151</u>	<u>135,528</u>
170,054	69,994	57,938	-
(15,500)	24,797	2,402	51,050
<u>154,554</u>	<u>94,791</u>	<u>60,340</u>	<u>51,050</u>
<u>\$ 260,021</u>	<u>\$ 151,873</u>	<u>\$ 123,491</u>	<u>\$ 186,578</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2006**

	Sierra Fire District Fund	Rio Felix Fire District Fund	Chaves County Fire District #8 Fund
ASSETS			
Cash and cash equivalents	\$ 241,612	\$ 122,697	\$ 83,875
Receivables:			
Taxes	6,000	-	-
Intergovernmental	-	-	-
Other	-	-	-
Prepaid assets	3,223	2,474	2,772
Total assets	<u>\$ 250,835</u>	<u>\$ 125,171</u>	<u>\$ 86,647</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 116,997	\$ 931	\$ 149
Accrued expenses	3,097	-	190
Deferred revenue	-	40,773	52,731
Due to other funds	-	-	-
Total liabilities	<u>120,094</u>	<u>41,704</u>	<u>53,070</u>
Fund balances:			
Unreserved:			
Designated for subsequent year's expenditures	85,406	55,725	20,359
Undesignated:	45,335	27,742	13,218
Total fund balances	<u>130,741</u>	<u>83,467</u>	<u>33,577</u>
Total liabilities and fund balances	<u>\$ 250,835</u>	<u>\$ 125,171</u>	<u>\$ 86,647</u>

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

<u>Fire and Ambulance Fund</u>	<u>Law Enforcement Grant Fund</u>	<u>Public Safety Grants Fund</u>	<u>Corrections Fees Fund</u>
\$ 1,731,298	\$ 20,605	\$ 16,050	\$ 125,483
23,905	42,200	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 1,755,203</u>	<u>\$ 62,805</u>	<u>\$ 16,050</u>	<u>\$ 125,483</u>
\$ -	\$ -	\$ 140	\$ -
501	-	-	-
-	-	-	-
-	-	10,000	-
<u>501</u>	<u>-</u>	<u>10,140</u>	<u>-</u>
-	-	-	29,862
1,754,702	62,805	5,910	95,621
<u>1,754,702</u>	<u>62,805</u>	<u>5,910</u>	<u>125,483</u>
<u>\$ 1,755,203</u>	<u>\$ 62,805</u>	<u>\$ 16,050</u>	<u>\$ 125,483</u>

STATE OF NEW MEXICO
 CHAVES COUNTY
 Combining Balance Sheet
 Non-Major Special Revenue Funds
 June 30, 2006

	Environmental Gross Receipts Fund	Hospital Aged Accounts Fund	Flood Control Fund
ASSETS			
Cash and cash equivalents	\$ 84,967	\$ 219,293	\$ 829,056
Receivables:			
Taxes	11,953	-	54,365
Intergovernmental	-	-	-
Other	-	-	-
Prepaid assets	486	-	4,683
 Total assets	 <u>\$ 97,406</u>	 <u>\$ 219,293</u>	 <u>\$ 888,104</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 8,423	\$ -	\$ 23
Accrued expenses	1,314	-	26,498
Deferred revenue	-	-	41,049
Due to other funds	-	-	-
Total liabilities	<u>9,737</u>	<u>-</u>	<u>67,570</u>
Fund balances:			
Unreserved:			
Designated for subsequent year's expenditures	43,397	-	232,165
Undesignated:	44,272	219,293	588,369
Total fund balances	<u>87,669</u>	<u>219,293</u>	<u>820,534</u>
 Total liabilities and fund balances	 <u>\$ 97,406</u>	 <u>\$ 219,293</u>	 <u>\$ 888,104</u>

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

Special Road Construction Fund	Clerk Recording and Filing Fees Fund	Property Valuation Fund	CDBG Grant Fund	Total
\$ 647,159	\$ 124,203	\$ 148,803	\$ 200,000	\$ 5,470,981
-	-	-	-	138,423
-	-	-	-	-
-	-	-	-	-
-	-	1,212	-	29,563
<u>\$ 647,159</u>	<u>\$ 124,203</u>	<u>\$ 150,015</u>	<u>\$ 200,000</u>	<u>\$ 5,638,967</u>
\$ -	\$ -	\$ -	\$ -	\$ 129,679
-	-	7,248	-	44,578
-	-	-	-	545,993
-	-	-	200,000	210,000
-	-	7,248	200,000	930,250
216,000	19,200	23,484	-	1,058,601
431,159	105,003	119,283	-	3,650,116
<u>647,159</u>	<u>124,203</u>	<u>142,767</u>	<u>-</u>	<u>4,708,717</u>
<u>\$ 647,159</u>	<u>\$ 124,203</u>	<u>\$ 150,015</u>	<u>\$ 200,000</u>	<u>\$ 5,638,967</u>

STATE OF NEW MEXICO
CHAVES COUNTY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2006

	Farm and Range Fund	Recreation Fund	Dunken Fire District Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	53,737	-	66,668
Charges for services	-	-	-
Refunds and recoveries	-	-	-
Interest on investments	-	-	-
Miscellaneous	-	-	66
Total revenues	<u>53,737</u>	<u>-</u>	<u>66,734</u>
EXPENDITURES			
Current:			
General government	\$ -	\$ -	\$ -
Public safety	-	-	35,246
Highways and streets	-	-	-
Conservation of natural resources	47,587	-	-
Health and welfare	-	-	-
Special grants and projects	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	<u>47,587</u>	<u>-</u>	<u>35,246</u>
Excess (deficiency) of revenues over expenditures	<u>6,150</u>	<u>-</u>	<u>31,488</u>
Other financing sources (uses):			
Operating transfers in (out)	-	-	(2,000)
Other	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,000)</u>
Net changes in fund balances	6,150	-	29,488
Fund balances - beginning of year	<u>13,865</u>	<u>126</u>	<u>60,043</u>
Fund balances - end of the year	<u>\$ 20,015</u>	<u>\$ 126</u>	<u>\$ 89,531</u>

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

East Grand Plains Fire District	Penasco Fire District Fund	Midway Fire District Fund	Berrendo Fire District Fund
\$ -	\$ -	\$ -	\$ -
114,298	53,042	71,065	165,644
-	-	-	-
-	-	-	-
-	-	-	-
23	115	51	64
<u>114,321</u>	<u>53,157</u>	<u>71,116</u>	<u>165,708</u>
\$ -	\$ -	\$ -	\$ -
52,319	26,878	44,353	111,994
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
859	-	-	17,091
-	-	-	-
<u>53,178</u>	<u>26,878</u>	<u>44,353</u>	<u>129,085</u>
61,143	26,279	26,763	36,623
(4,000)	(3,000)	(4,000)	(5,000)
-	-	-	-
<u>(4,000)</u>	<u>(3,000)</u>	<u>(4,000)</u>	<u>(5,000)</u>
57,143	23,279	22,763	31,623
97,411	71,512	37,577	19,427
<u>\$ 154,554</u>	<u>\$ 94,791</u>	<u>\$ 60,340</u>	<u>\$ 51,050</u>

**STATE OF NEW MEXICO
CHAVES COUNTY**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2006**

	Sierra Fire District Fund	Rio Felix Fire District Fund	Chaves County Fire District #8 Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	163,786	35,803	62,731
Charges for services	-	-	-
Refunds and recoveries	-	-	-
Interest on investments	-	-	-
Miscellaneous	708	40	4,667
Total revenues	164,494	35,843	67,398
EXPENDITURES			
Current:			
General government	\$ -	\$ -	\$ -
Public safety	72,377	10,890	57,642
Highways and streets	-	-	-
Conservation of natural resources	-	-	-
Health and welfare	-	-	-
Special grants and projects	-	-	-
Culture and recreation	-	-	-
Capital outlay	82,685	-	-
Debt service	-	-	-
Total expenditures	155,062	10,890	57,642
Excess (deficiency) of revenues over expenditures	9,432	24,953	9,756
Other financing sources (uses):			
Operating transfers in (out)	(4,000)	(1,000)	(2,000)
Other	-	-	-
Total other financing sources (uses)	(4,000)	(1,000)	(2,000)
Net changes in fund balances	5,432	23,953	7,756
Fund balances - beginning of year	125,309	59,514	25,821
Fund balances - end of the year	\$ 130,741	\$ 83,467	\$ 33,577

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

Fire and Ambulance Fund	Law Enforcement Grant Fund	Public Safety Grants Fund	Corrections Fees Fund
\$ 409,909	\$ -	\$ -	\$ -
-	86,200	46,734	107,278
-	-	-	-
-	-	-	-
118,304	-	-	-
17,088	1	-	127
<u>545,301</u>	<u>86,201</u>	<u>46,734</u>	<u>107,405</u>
\$ -	\$ -	\$ -	\$ -
-	42,051	22,978	58,003
-	-	-	-
-	-	-	-
-	-	-	-
-	-	37,187	-
-	-	-	-
64,774	-	48,846	-
-	-	-	-
<u>64,774</u>	<u>42,051</u>	<u>109,011</u>	<u>58,003</u>
<u>480,527</u>	<u>44,150</u>	<u>(62,277)</u>	<u>49,402</u>
30,000	-	-	-
-	-	-	-
<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
510,527	44,150	(62,277)	49,402
1,244,175	18,655	68,187	76,081
<u>\$ 1,754,702</u>	<u>\$ 62,805</u>	<u>\$ 5,910</u>	<u>\$ 125,483</u>

STATE OF NEW MEXICO
CHAVES COUNTY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2006

	Environmental Gross Receipts Tax Fund	Hospital Aged Accounts Fund	Flood Control Fund
REVENUES			
Taxes	\$ 204,955	\$ -	\$ 821,761
Intergovernmental	-	-	87,978
Charges for services	-	-	-
Refunds and recoveries	-	-	-
Interest on investments	-	-	-
Miscellaneous	-	14,564	550
Total revenues	204,955	14,564	910,289
EXPENDITURES			
Current:			
General government	\$ -	\$ -	\$ -
Public safety	-	-	-
Highways and streets	-	-	-
Conservation of natural resources	-	-	719,281
Health and welfare	137,504	3,734	-
Special grants and projects	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	175,184
Debt service	-	-	-
Total expenditures	137,504	3,734	894,465
Excess (deficiency) of revenues over expenditures	67,451	10,830	15,824
Other financing sources (uses):			
Operating transfers in (out)	-	-	-
Other	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	67,451	10,830	15,824
Fund balances - beginning of year	20,218	208,463	804,710
Fund balances - end of the year	\$ 87,669	\$ 219,293	\$ 820,534

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

Special Road Construction Fund	Clerk Recording and Filing Fees Fund	Property Valuation Fund	CDBG Grant Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,436,625
-	-	184,242	500,000	1,799,206
-	63,016	-	-	63,016
-	-	-	-	-
9,871	-	-	-	128,175
100,000	-	-	-	138,064
<u>109,871</u>	<u>63,016</u>	<u>184,242</u>	<u>500,000</u>	<u>3,565,086</u>
\$ -	\$ 24,528	\$ 152,475	\$ 500,000	\$ 677,003
-	-	-	-	534,731
500	-	-	-	500
-	-	-	-	766,868
-	-	-	-	141,238
-	-	-	-	37,187
-	-	-	-	-
-	53,702	1,707	-	444,848
-	-	-	-	-
<u>500</u>	<u>78,230</u>	<u>154,182</u>	<u>500,000</u>	<u>2,602,375</u>
<u>109,371</u>	<u>(15,214)</u>	<u>30,060</u>	<u>-</u>	<u>962,711</u>
-	-	-	-	5,000
-	-	-	-	-
-	-	-	-	5,000
<u>109,371</u>	<u>(15,214)</u>	<u>30,060</u>	<u>-</u>	<u>967,711</u>
<u>537,788</u>	<u>139,417</u>	<u>112,707</u>	<u>-</u>	<u>3,741,006</u>
<u>\$ 647,159</u>	<u>\$ 124,203</u>	<u>\$ 142,767</u>	<u>\$ -</u>	<u>\$ 4,708,717</u>

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-3

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Farm and Range Special Revenue Fund
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 39,587	\$ 53,737	\$ 53,737	\$ -
Total revenues	39,587	53,737	53,737	-
EXPENDITURES				
Current:				
Farm and range:				
Operating expenses	47,587	73,587	71,587	2,000
Total expenditures	47,587	73,587	71,587	2,000
Excess (deficiency) of revenues over expenditures	(8,000)	(19,850)	(17,850)	2,000
Other financing sources (uses):				
Designated cash	8,000	19,850	-	(19,850)
Total other financing sources (uses)	8,000	19,850	-	(19,850)
Net change in fund balance	-	-	(17,850)	(17,850)
Fund balance - beginning of year	-	-	37,865	37,865
Fund balance - end of the year	\$ -	\$ -	\$ 20,015	\$ 20,015

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-4

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Recreation Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Operating expenses	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Other financing sources (uses):				
Designated cash	(100)	(100)	-	100
Total other financing sources (uses)	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>126</u>	<u>126</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ 126</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-5

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Dunken Fire District Special Revenue Fund
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 46,185	\$ 66,669	\$ 66,668	\$ (1)
Miscellaneous	-	67	66	(1)
Total revenues	<u>46,185</u>	<u>66,736</u>	<u>66,734</u>	<u>(2)</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	36,729	39,355	12,097	27,258
Supplies	9,000	29,792	21,015	8,777
Total public safety	<u>45,729</u>	<u>69,147</u>	<u>33,112</u>	<u>36,035</u>
Capital outlay	<u>19,070</u>	<u>36,070</u>	-	<u>36,070</u>
Total expenditures	<u>64,799</u>	<u>105,217</u>	<u>33,112</u>	<u>72,105</u>
Excess (deficiency) of revenues over expenditures	<u>(18,614)</u>	<u>(38,481)</u>	<u>33,622</u>	<u>72,103</u>
Other financing sources (uses):				
Designated cash	20,614	40,481	-	(40,481)
Operating transfers in (out)	(2,000)	(2,000)	(2,000)	-
Total other financing sources (uses)	<u>18,614</u>	<u>38,481</u>	<u>(2,000)</u>	<u>(40,481)</u>
Net change in fund balance	-	-	31,622	31,622
Fund balance - beginning of year	-	-	57,918	57,918
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,540</u>	<u>\$ 89,540</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement B-6

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
East Grand Plains Fire District Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 97,502	\$ 114,299	\$ 114,298	\$ (1)
Miscellaneous	-	24	23	(1)
Total revenues	<u>97,502</u>	<u>114,323</u>	<u>114,321</u>	<u>(2)</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	38,780	51,629	22,978	28,651
Supplies	8,700	15,781	8,082	7,699
Total public safety	<u>47,480</u>	<u>67,410</u>	<u>31,060</u>	<u>36,350</u>
Capital outlay	<u>40,000</u>	<u>36,091</u>	<u>20,594</u>	<u>15,497</u>
Total expenditures	<u>87,480</u>	<u>103,501</u>	<u>51,654</u>	<u>51,847</u>
Excess (deficiency) of revenues over expenditures	<u>10,022</u>	<u>10,822</u>	<u>62,667</u>	<u>51,845</u>
Other financing sources (uses):				
Designated cash	(6,022)	(6,822)	-	6,822
Operating transfers in (out)	(4,000)	(4,000)	(4,000)	-
Total other financing sources (uses)	<u>(10,022)</u>	<u>(10,822)</u>	<u>(4,000)</u>	<u>6,822</u>
Net change in fund balance	-	-	58,667	58,667
Fund balance - beginning of year	-	-	95,755	95,755
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,422</u>	<u>\$ 154,422</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-7

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Penasco Fire District Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 45,338	\$ 53,043	\$ 53,042	\$ (1)
Miscellaneous	-	116	115	(1)
Total revenues	<u>45,338</u>	<u>53,159</u>	<u>53,157</u>	<u>(2)</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	46,890	41,576	10,302	31,274
Supplies	9,000	26,955	8,948	18,007
Total public safety	<u>55,890</u>	<u>68,531</u>	<u>19,250</u>	<u>49,281</u>
Capital outlay	<u>6,000</u>	<u>31,000</u>	<u>5,661</u>	<u>25,339</u>
Total expenditures	<u>61,890</u>	<u>99,531</u>	<u>24,911</u>	<u>74,620</u>
Excess (deficiency) of revenues over expenditures	<u>(16,552)</u>	<u>(46,372)</u>	<u>28,246</u>	<u>74,618</u>
Other financing sources (uses):				
Designated cash	19,552	49,372	-	(49,372)
Operating transfers in (out)	(3,000)	(3,000)	(3,000)	-
Total other financing sources (uses)	<u>16,552</u>	<u>46,372</u>	<u>(3,000)</u>	<u>(49,372)</u>
Net change in fund balance	-	-	25,246	25,246
Fund balance - beginning of year	-	-	<u>69,619</u>	<u>69,619</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,865</u>	<u>\$ 94,865</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-8

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Midway Fire District Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 48,751	\$ 71,074	\$ 71,065	\$ (9)
Miscellaneous	-	51	51	-
Total revenues	<u>48,751</u>	<u>71,125</u>	<u>71,116</u>	<u>(9)</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	37,193	39,647	24,314	15,333
Supplies	7,921	26,088	17,809	8,279
Total public safety	<u>45,114</u>	<u>65,735</u>	<u>42,123</u>	<u>23,612</u>
Capital outlay	-	29,358	-	29,358
Total expenditures	<u>45,114</u>	<u>95,093</u>	<u>42,123</u>	<u>52,970</u>
Excess (deficiency) of revenues over expenditures	<u>3,637</u>	<u>(23,968)</u>	<u>28,993</u>	<u>52,961</u>
Other financing sources (uses):				
Designated cash	363	27,968	-	(27,968)
Operating transfers in (out)	(4,000)	(4,000)	(4,000)	-
Total other financing sources (uses)	<u>(3,637)</u>	<u>23,968</u>	<u>(4,000)</u>	<u>(27,968)</u>
Net change in fund balance	-	-	24,993	24,993
Fund balance - beginning of year	-	-	35,215	35,215
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,208</u>	<u>\$ 60,208</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement B-9

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Berrendo Fire District Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 126,607	\$ 165,644	\$ 165,644	\$ -
Miscellaneous	-	64	64	-
Total revenues	<u>126,607</u>	<u>165,708</u>	<u>165,708</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	74,475	88,427	71,253	17,174
Supplies	15,000	45,636	38,511	7,125
Total public safety	<u>89,475</u>	<u>134,063</u>	<u>109,764</u>	<u>24,299</u>
Capital outlay	<u>25,157</u>	<u>19,102</u>	<u>17,091</u>	<u>2,011</u>
Total expenditures	<u>114,632</u>	<u>153,165</u>	<u>126,855</u>	<u>26,310</u>
Excess (deficiency) of revenues over expenditures	<u>11,975</u>	<u>12,543</u>	<u>38,853</u>	<u>26,310</u>
Other financing sources (uses):				
Designated cash	(6,975)	(7,543)	-	7,543
Operating transfers in (out)	(5,000)	(5,000)	(5,000)	-
Total other financing sources (uses)	<u>(11,975)</u>	<u>(12,543)</u>	<u>(5,000)</u>	<u>7,543</u>
Net change in fund balance	-	-	33,853	33,853
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>18,082</u>	<u>18,082</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,935</u>	<u>\$ 51,935</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement B-10

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Sierra Fire District Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 92,370	\$ 157,786	\$ 157,786	\$ -
Miscellaneous	-	708	708	-
Total revenues	<u>92,370</u>	<u>158,494</u>	<u>158,494</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	70,367	66,657	43,218	23,439
Supplies	10,000	37,346	26,206	11,140
Total public safety	<u>80,367</u>	<u>104,003</u>	<u>69,424</u>	<u>34,579</u>
Capital outlay	<u>88,014</u>	<u>152,890</u>	<u>82,685</u>	<u>70,205</u>
Total expenditures	<u>168,381</u>	<u>256,893</u>	<u>152,109</u>	<u>104,784</u>
Excess (deficiency) of revenues over expenditures	<u>(76,011)</u>	<u>(98,399)</u>	<u>6,385</u>	<u>104,784</u>
Other financing sources (uses):				
Designated cash	80,011	102,399	-	(102,399)
Operating transfers in (out)	(4,000)	(4,000)	(4,000)	-
Total other financing sources (uses)	<u>76,011</u>	<u>98,399</u>	<u>(4,000)</u>	<u>(102,399)</u>
Net change in fund balance	-	-	2,385	2,385
Fund balance - beginning of year	-	-	123,246	123,246
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,631</u>	<u>\$ 125,631</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-11

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Rio Felix Fire District Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 33,502	\$ 35,803	\$ 35,803	\$ -
Miscellaneous	-	41	40	(1)
Total revenues	<u>33,502</u>	<u>35,844</u>	<u>35,843</u>	<u>(1)</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	22,140	27,355	7,203	20,152
Supplies	2,200	6,475	2,068	4,407
Total public safety	<u>24,340</u>	<u>33,830</u>	<u>9,271</u>	<u>24,559</u>
Capital outlay	<u>3,000</u>	<u>38,000</u>	<u>-</u>	<u>38,000</u>
Total expenditures	<u>27,340</u>	<u>71,830</u>	<u>9,271</u>	<u>62,559</u>
Excess (deficiency) of revenues over expenditures	<u>6,162</u>	<u>(35,986)</u>	<u>26,572</u>	<u>62,558</u>
Other financing sources (uses):				
Designated cash	(5,162)	36,986	-	(36,986)
Operating transfers in (out)	(1,000)	(1,000)	(1,000)	-
Total other financing sources (uses)	<u>(6,162)</u>	<u>35,986</u>	<u>(1,000)</u>	<u>(36,986)</u>
Net change in fund balance	-	-	25,572	25,572
Fund balance - beginning of year	-	-	<u>57,798</u>	<u>57,798</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,370</u>	<u>\$ 83,370</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-12

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Chaves County Fire District #8 Special Revenue Fund
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 48,751	\$ 62,735	\$ 62,731	\$ (4)
Miscellaneous	-	4,668	4,667	(1)
Total revenues	<u>48,751</u>	<u>67,403</u>	<u>67,398</u>	<u>(5)</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	26,065	32,707	22,491	10,216
Supplies	7,000	25,828	19,551	6,277
Total public safety	<u>33,065</u>	<u>58,535</u>	<u>42,042</u>	<u>16,493</u>
Capital outlay	<u>13,920</u>	<u>22,365</u>	<u>13,919</u>	<u>8,446</u>
Total expenditures	<u>46,985</u>	<u>80,900</u>	<u>55,961</u>	<u>24,939</u>
Excess (deficiency) of revenues over expenditures	<u>1,766</u>	<u>(13,497)</u>	<u>11,437</u>	<u>24,934</u>
Other financing sources (uses):				
Designated cash	234	15,497	-	(15,497)
Operating transfers in (out)	(2,000)	(2,000)	(2,000)	-
Total other financing sources (uses)	<u>(1,766)</u>	<u>13,497</u>	<u>(2,000)</u>	<u>(15,497)</u>
Net change in fund balance	-	-	9,437	9,437
Fund balance - beginning of year	-	-	24,157	24,157
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,594</u>	<u>\$ 33,594</u>

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

CHAVES COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

Fire and Ambulance Special Revenue Fund

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 300,700	\$ 386,007	\$ 386,004	\$ (3)
Interest on investments	31,325	118,305	118,304	(1)
Miscellaneous	-	17,090	17,088	(2)
Total revenues	<u>332,025</u>	<u>521,402</u>	<u>521,396</u>	<u>(6)</u>
EXPENDITURES				
Current:				
Operations and maintenance	-	-	-	-
Capital outlay	<u>321,500</u>	<u>321,500</u>	<u>64,775</u>	<u>256,725</u>
Total expenditures	<u>321,500</u>	<u>321,500</u>	<u>64,775</u>	<u>256,725</u>
Excess (deficiency) of revenues over expenditures	<u>10,525</u>	<u>199,902</u>	<u>456,621</u>	<u>256,719</u>
Other financing sources (uses):				
Designated cash	(40,525)	(229,902)	-	229,902
Operating transfers in (out)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,525)</u>	<u>(199,902)</u>	<u>30,000</u>	<u>229,902</u>
Net change in fund balance	-	-	486,621	486,621
Fund balance - beginning of year	-	-	<u>1,244,175</u>	<u>1,244,175</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730,796</u>	<u>\$ 1,730,796</u>

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

STATE OF NEW MEXICO

Statement B-14

CHAVES COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual
Law Enforcement Special Revenue Fund

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 44,600	\$ 44,600	\$ 44,000	\$ (600)
Miscellaneous	-	-	-	-
Total revenues	<u>44,600</u>	<u>44,600</u>	<u>44,000</u>	<u>(600)</u>
EXPENDITURES				
Current:				
Public safety:				
Operating expenses	8,000	24,125	15,942	8,183
Supplies	16,000	26,398	26,309	89
Total public safety	<u>24,000</u>	<u>50,523</u>	<u>42,251</u>	<u>8,272</u>
Capital outlay	<u>20,600</u>	<u>11,379</u>	<u>-</u>	<u>11,379</u>
Total expenditures	<u>44,600</u>	<u>61,902</u>	<u>42,251</u>	<u>19,651</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(17,302)</u>	<u>1,749</u>	<u>19,051</u>
Other financing sources (uses):				
Designated cash	-	17,302	-	(17,302)
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>17,302</u>	<u>-</u>	<u>(17,302)</u>
Net change in fund balance	-	-	1,749	1,749
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>18,855</u>	<u>18,855</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,604</u>	<u>\$ 20,604</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-15

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Public Safety Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 49,680	\$ 80,260	\$ 46,734	\$ (33,526)
Miscellaneous	-	-	-	-
Total revenues	<u>49,680</u>	<u>80,260</u>	<u>46,734</u>	<u>(33,526)</u>
EXPENDITURES				
Current:				
Public safety:				
Personnel services	-	6,760	6,755	5
Operating expenses	2,200	2,200	1,173	1,027
Supplies	7,961	39,357	15,050	24,307
Total public safety	<u>10,161</u>	<u>48,317</u>	<u>22,978</u>	<u>25,339</u>
Capital outlay	<u>39,519</u>	<u>58,559</u>	<u>48,846</u>	<u>9,713</u>
Total expenditures	<u>49,680</u>	<u>106,876</u>	<u>71,824</u>	<u>35,052</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(26,616)</u>	<u>(25,090)</u>	<u>1,526</u>
Other financing sources (uses):				
Designated cash	13,102	76,905	-	(76,905)
Operating transfers in (out)	(13,102)	(50,289)	(37,187)	13,102
Total other financing sources (uses)	<u>-</u>	<u>26,616</u>	<u>(37,187)</u>	<u>(63,803)</u>
Net change in fund balance	-	-	(62,277)	(62,277)
Fund balance - beginning of year	-	-	68,187	68,187
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,910</u>	<u>\$ 5,910</u>

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

STATE OF NEW MEXICO

Statement B-16

CHAVES COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual
Corrections Fees Special Revenue Fund

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 100,000	\$ 107,280	\$ 107,278	\$ (2)
Miscellaneous	-	-	127	127
Total revenues	<u>100,000</u>	<u>107,280</u>	<u>107,405</u>	<u>125</u>
EXPENDITURES				
Current:				
Public safety:				
Personnel expenses	39,323	40,713	39,073	1,640
Operating expenses	56,291	54,901	18,930	35,971
Total expenditures	<u>95,614</u>	<u>95,614</u>	<u>58,003</u>	<u>37,611</u>
Excess (deficiency) of revenues over expenditures	<u>4,386</u>	<u>11,666</u>	<u>49,402</u>	<u>37,736</u>
Other financing sources (uses):				
Designated cash	(4,386)	(11,666)	-	11,666
Total other financing sources (uses)	<u>(4,386)</u>	<u>(11,666)</u>	<u>-</u>	<u>11,666</u>
Net change in fund balance	-	-	49,402	49,402
Fund balance - beginning of year	-	-	76,081	76,081
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,483</u>	<u>\$ 125,483</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-17

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Environmental Gross Receipts Tax Special Revenue Fund
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 149,763	\$ 193,008	\$ 193,002	\$ (6)
Charges for services	-	-	-	-
Total revenues	<u>149,763</u>	<u>193,008</u>	<u>193,002</u>	<u>(6)</u>
EXPENDITURES				
Current:				
General government:				
Personnel services	62,804	74,806	65,638	9,168
Operating expenses	53,667	87,395	71,424	15,971
Supplies	450	450	169	281
Total expenditures	<u>116,921</u>	<u>162,651</u>	<u>137,231</u>	<u>25,420</u>
Capital outlay	-	-	-	-
Total expenditures	<u>116,921</u>	<u>162,651</u>	<u>137,231</u>	<u>25,420</u>
Excess (deficiency) of revenues over expenditures	<u>32,842</u>	<u>30,357</u>	<u>55,771</u>	<u>25,414</u>
Other financing sources (uses):				
Designated cash	<u>(32,842)</u>	<u>(30,357)</u>	-	<u>30,357</u>
Total other financing sources (uses)	<u>(32,842)</u>	<u>(30,357)</u>	-	<u>30,357</u>
Net change in fund balance	-	-	55,771	55,771
Fund balance - beginning of year	-	-	<u>28,368</u>	<u>28,368</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,139</u>	<u>\$ 84,139</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-18

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Hospital Aged Accounts Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 14,563	\$ (5,437)
Total revenues	20,000	20,000	14,563	(5,437)
EXPENDITURES				
Current:				
Health and welfare:				
Operating expenses	1,600	1,465	315	1,150
Supplies	500	3,635	3,419	216
Total health and welfare	2,100	5,100	3,734	1,366
Capital outlay	3,000	-	-	-
Total expenditures	5,100	5,100	3,734	1,366
Excess (deficiency) of revenues over expenditures	14,900	14,900	10,829	(4,071)
Other financing sources (uses):				
Designated cash	(14,900)	(14,900)	-	14,900
Total other financing sources (uses)	(14,900)	(14,900)	-	14,900
Net change in fund balance	-	-	10,829	10,829
Fund balance - beginning of year	-	-	208,464	208,464
Fund balance - end of the year	\$ -	\$ -	\$ 219,293	\$ 219,293

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement B-19

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Flood Control Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 720,000	\$ 822,505	\$ 822,496	\$ (9)
Intergovernmental	90,000	90,000	87,978	(2,022)
Miscellaneous	4,500	4,500	550	(3,950)
Total revenues	<u>814,500</u>	<u>917,005</u>	<u>911,024</u>	<u>(5,981)</u>
EXPENDITURES				
Current:				
Public safety:				
Personnel services	522,183	540,418	502,203	38,215
Operating expenses	210,145	206,800	178,665	28,135
Supplies	37,000	43,100	41,019	2,081
Total public safety	<u>769,328</u>	<u>790,318</u>	<u>721,887</u>	<u>68,431</u>
Capital outlay	<u>222,000</u>	<u>201,010</u>	<u>175,184</u>	<u>25,826</u>
Total expenditures	<u>991,328</u>	<u>991,328</u>	<u>897,071</u>	<u>94,257</u>
Excess (deficiency) of revenues over expenditures	<u>(176,828)</u>	<u>(74,323)</u>	<u>13,953</u>	<u>88,276</u>
Other financing sources (uses):				
Designated cash	176,828	74,323	-	(74,323)
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>176,828</u>	<u>74,323</u>	<u>-</u>	<u>(74,323)</u>
Net change in fund balance	-	-	13,953	13,953
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>793,288</u>	<u>793,288</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 807,241</u>	<u>\$ 807,241</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement B-20

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Special Road Construction Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 4,000	\$ 9,875	\$ 9,871	\$ (4)
Miscellaneous	100,000	100,000	100,000	-
Total revenues	<u>104,000</u>	<u>109,875</u>	<u>109,871</u>	<u>(4)</u>
EXPENDITURES				
Current:				
Highways and streets:				
Operating expenses	260,000	260,000	11,241	248,759
Total expenditures	<u>260,000</u>	<u>260,000</u>	<u>11,241</u>	<u>248,759</u>
Excess (deficiency) of revenues over expenditures	<u>(156,000)</u>	<u>(150,125)</u>	<u>98,630</u>	<u>248,755</u>
Other financing sources (uses):				
Designated cash	156,000	150,125	-	(150,125)
Total other financing sources (uses)	<u>156,000</u>	<u>150,125</u>	<u>-</u>	<u>(150,125)</u>
Net change in fund balance	-	-	98,630	98,630
Fund balance - beginning of year	-	-	548,529	548,529
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,159</u>	<u>\$ 647,159</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-21

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Clerk Recording and Filing Fees Special Revenue Fund
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	55,000	63,020	63,016	(4)
Total revenues	<u>55,000</u>	<u>63,020</u>	<u>63,016</u>	<u>(4)</u>
EXPENDITURES				
Current:				
General government:				
Operating expenses	17,300	40,784	24,528	16,256
Supplies	500	-	-	-
Total expenditures	<u>17,800</u>	<u>40,784</u>	<u>24,528</u>	<u>16,256</u>
Capital outlay	<u>98,710</u>	<u>144,786</u>	<u>53,703</u>	<u>91,083</u>
Total expenditures	<u>116,510</u>	<u>185,570</u>	<u>78,231</u>	<u>107,339</u>
Excess (deficiency) of revenues over expenditures	<u>(61,510)</u>	<u>(122,550)</u>	<u>(15,215)</u>	<u>107,335</u>
Other financing sources (uses):				
Designated cash	61,510	122,550	-	(122,550)
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>61,510</u>	<u>122,550</u>	<u>-</u>	<u>(122,550)</u>
Net change in fund balance	-	-	(15,215)	(15,215)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>139,417</u>	<u>139,417</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,202</u>	<u>\$ 124,202</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-22

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Property Valuation Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	175,000	184,245	184,242	(3)
Total revenues	<u>175,000</u>	<u>184,245</u>	<u>184,242</u>	<u>(3)</u>
EXPENDITURES				
Current:				
General government:				
Personnel services	133,703	138,758	133,734	5,024
Operating expenses	34,508	36,853	17,527	19,326
Total expenditures	<u>168,211</u>	<u>175,611</u>	<u>151,261</u>	<u>24,350</u>
Capital outlay	<u>8,552</u>	<u>14,352</u>	<u>1,707</u>	<u>12,645</u>
Total expenditures	<u>176,763</u>	<u>189,963</u>	<u>152,968</u>	<u>36,995</u>
Excess (deficiency) of revenues over expenditures	<u>(1,763)</u>	<u>(5,718)</u>	<u>31,274</u>	<u>36,992</u>
Other financing sources (uses):				
Designated cash	1,763	5,718	-	(5,718)
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>1,763</u>	<u>5,718</u>	<u>-</u>	<u>(5,718)</u>
Net change in fund balance	-	-	31,274	31,274
Fund balance - beginning of year	-	-	111,493	111,493
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,767</u>	<u>\$ 142,767</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement B-23

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
CDBG Special Revenue Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government:				
Operating expenses	500,000	500,000	500,000	-
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

DEBT SERVICE FUNDS

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**STATE OF NEW MEXICO
CHAVES COUNTY
Debt Service Fund Descriptions
June 30, 2006**

General Obligation Bonds Fund

To account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs of general obligation bonds. The primary source of revenue is property taxes.

Gross Receipts Tax Bonds Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of gross receipts tax bonds. This fund's source of revenue is one-eighth percent gross receipts tax approved by the citizens of Chaves County for bond repayment.

Revenue Bond Debt Service #2 Fund

The purpose of this fund is to set aside pledged revenues and deposit monthly into the Gross Receipts Tax Income Fund by the County Treasurer, and transfer by the County Treasurer to the Debt Service Fund, Capital Projects Fund, Reserve Fund and Extraordinary Mandatory Redemption Fund.

Extraordinary Mandatory Redemption Fund

The purpose of this fund is to account for the excess gross receipts tax revenues. The money may be used for redemption of bonds maturing after July 1, 2010.

STATE OF NEW MEXICO
CHAVES COUNTY
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2006

	General Obligation Bonds Fund	Gross Receipts Tax Bonds Fund	
	<u> </u>	<u> </u>	
ASSETS			
Cash and cash equivalents	\$ 246	\$ 910,082	
Receivables:			
Taxes	<u>19</u>	<u>-</u>	
Total assets	<u>\$ 265</u>	<u>\$ 910,082</u>	
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Deferred revenue	<u>\$ -</u>	<u>\$ -</u>	
Total liabilities	<u>-</u>	<u>-</u>	
 Fund balances:			
Reserved:			
Reserved for debt service	<u>265</u>	<u>910,082</u>	
Total fund balances	<u>265</u>	<u>910,082</u>	
 Total liabilities and fund balances	<u>\$ 265</u>	<u>\$ 910,082</u>	

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

Revenue Bonds Debt Service #2 Fund	Extraordinary Mandatory Redemption Fund	Total
\$ -	\$ 944,298	\$ 1,854,626
<u>154,585</u>	<u>-</u>	<u>154,604</u>
<u>\$ 154,585</u>	<u>\$ 944,298</u>	<u>\$ 2,009,230</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>154,585</u>	<u>944,298</u>	<u>2,009,230</u>
<u>154,585</u>	<u>944,298</u>	<u>2,009,230</u>
<u>\$ 154,585</u>	<u>\$ 944,298</u>	<u>\$ 2,009,230</u>

**STATE OF NEW MEXICO
CHAVES COUNTY**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Debt Service Funds
For the Year Ended June 30, 2006**

	General Obligation Bonds Fund	Gross Receipts Tax Bonds Fund
REVENUES		
Taxes	\$ -	\$ -
Interest on investments	-	24,025
Miscellaneous	265	-
Total revenues	265	24,025
EXPENDITURES		
Current:		
Debt service		
Principal	\$ -	\$ 375,000
Commissions	-	2,081
Interest	-	640,900
Total expenditures	-	1,017,981
Excess (deficiency) of revenues over expenditures	265	(993,956)
Other financing sources (uses):		
Operating transfers in (out)	(878)	1,036,943
Total other financing sources (uses)	(878)	1,036,943
Net changes in fund balances	(613)	42,987
Fund balances - beginning of year	878	867,095
Fund balances - end of the year	\$ 265	\$ 910,082

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

Revenue Bonds Debt Service #2 Fund	Extraordinary Mandatory Redemption Fund	Total
\$ 2,122,945	\$ -	\$ 2,122,945
7,513	1,110	32,648
4,121	-	4,386
<u>2,134,579</u>	<u>1,110</u>	<u>2,159,979</u>
\$ -	\$ 760,000	\$ 1,135,000
-	-	2,081
-	-	640,900
<u>-</u>	<u>760,000</u>	<u>1,777,981</u>
<u>2,134,579</u>	<u>(758,890)</u>	<u>381,998</u>
<u>(1,979,994)</u>	<u>943,050</u>	<u>(879)</u>
<u>(1,979,994)</u>	<u>943,050</u>	<u>(879)</u>
154,585	184,160	381,119
<u>-</u>	<u>760,138</u>	<u>1,628,111</u>
<u>\$ 154,585</u>	<u>\$ 944,298</u>	<u>\$ 2,009,230</u>

STATE OF NEW MEXICO
CHAVES COUNTY

Statement C-3

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Obligation Bonds Debt Service Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	250	246	(4)
Total revenues	-	250	246	(4)
EXPENDITURES				
Principal	-	-	-	-
Interest	-	-	-	-
Commissions	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	250	246	(4)
Other financing sources (uses):				
Designated cash	-	628	-	(628)
Operating transfer in (out)	-	(878)	(878)	-
Total other financing sources (uses)	-	(250)	(878)	(628)
Net change in fund balance	-	-	(632)	(632)
Fund balance - beginning of year	-	-	877	877
Fund balance - end of the year	\$ -	\$ -	\$ 245	\$ 245

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement C-4

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Gross Receipts Tax Bonds Debt Service Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ 28,990	\$ 24,025	\$ (4,965)
Total revenues	<u>-</u>	<u>28,990</u>	<u>24,025</u>	<u>(4,965)</u>
 EXPENDITURES				
Principal	375,000	375,000	375,000	-
Interest	659,900	659,860	640,900	18,960
Commissions	2,043	2,083	2,082	1
Total expenditures	<u>1,036,943</u>	<u>1,036,943</u>	<u>1,017,982</u>	<u>18,961</u>
 Excess (deficiency) of revenues over expenditures	<u>(1,036,943)</u>	<u>(1,007,953)</u>	<u>(993,957)</u>	<u>13,996</u>
 Other financing sources (uses):				
Designated cash	-	(28,990)	-	28,990
Operating transfers in (out)	1,036,943	1,036,943	1,036,943	-
Total other financing sources (uses)	<u>1,036,943</u>	<u>1,007,953</u>	<u>1,036,943</u>	<u>28,990</u>
 Net change in fund balance	-	-	42,986	42,986
 Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>867,095</u>	<u>867,095</u>
 Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910,081</u>	<u>\$ 910,081</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement C-5

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Revenue Bonds Debt Service #2 Debt Service Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,739,483	\$ 1,968,833	\$ 1,968,830	\$ (3)
Interest	5,000	7,251	7,250	(1)
Miscellaneous	3,000	3,915	3,914	(1)
Total revenues	<u>1,747,483</u>	<u>1,979,999</u>	<u>1,979,994</u>	<u>(5)</u>
EXPENDITURES				
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,747,483</u>	<u>1,979,999</u>	<u>1,979,994</u>	<u>(5)</u>
Other financing sources (uses):				
Designated cash	-	(5)	-	5
Operating transfers in (out)	<u>(1,747,483)</u>	<u>(1,979,994)</u>	<u>(1,979,994)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,747,483)</u>	<u>(1,979,999)</u>	<u>(1,979,994)</u>	<u>5</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY

Statement C-6

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Extraordinary Mandatory Redemption Debt Service Fund
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest on investments	\$ -	\$ 5	\$ 1,110	\$ 1,105
Total revenues	<u>-</u>	<u>5</u>	<u>1,110</u>	<u>1,105</u>
EXPENDITURES				
Debt service	755,000	760,000	760,000	-
Total expenditures	<u>755,000</u>	<u>760,000</u>	<u>760,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(755,000)</u>	<u>(759,995)</u>	<u>(758,890)</u>	<u>1,105</u>
Other financing sources (uses):				
Designated cash	44,460	(183,056)	-	183,056
Operating transfers in (out)	710,540	943,051	943,050	(1)
Total other financing sources (uses)	<u>755,000</u>	<u>759,995</u>	<u>943,050</u>	<u>183,055</u>
Net change in fund balance	-	-	184,160	184,160
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>760,138</u>	<u>760,138</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 944,298</u>	<u>\$ 944,298</u>

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

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CAPITAL PROJECTS FUNDS

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**STATE OF NEW MEXICO
CHAVES COUNTY
Capital Project Funds Descriptions
June 30, 2006**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The County has three funds classified as Capital Projects Funds as follows:

Detention Construction Project Fund

The purpose of this fund is to account for the construction of a new detention center. (Ordinance #39, 6-21-93)

Administration Construction Project Fund

The purpose of this fund is to account for the construction of the new administrative complex.

Courthouse Construction Project Fund

The purpose of this fund is to account for the remodeling of the courthouse.

STATE OF NEW MEXICO
 CHAVES COUNTY
 Combining Balance Sheet
 Non-Major Capital Projects
 June 30, 2006

Statement D-1

	Detention Construction Project Fund	Administration Construction Project Fund	Courthouse Construction Project Fund	Total
ASSETS				
Cash and cash equivalents	\$ 600,084	\$ 20,096	\$ 28,102	\$ 648,282
Prepaid expenses	50,429	-	-	50,429
Receivables:				
Taxes	580	-	-	580
Total assets	\$ 651,093	\$ 20,096	\$ 28,102	\$ 699,291
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 505	\$ -	\$ -	\$ 505
Accrued expenses	3,832	-	3,718	7,550
Total liabilities	4,337	-	3,718	8,055
Fund balances:				
Unreserved:				
Designated for subsequent year's expenditures	100,000	-	-	100,000
Undesignated:	546,756	20,096	24,384	591,236
Total fund balances	646,756	20,096	24,384	691,236
Total liabilities and fund balances	\$ 651,093	\$ 20,096	\$ 28,102	\$ 699,291

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement D-2

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Projects Funds
For the Year Ended June 30, 2006**

	Detention Construction Project	Administration Construction Project	Courthouse Construction Project	Total
REVENUES				
Taxes	\$ 10,664	\$ -	\$ -	\$ 10,664
Interest on investments	-	-	-	-
Miscellaneous	-	-	8,200	8,200
Total revenues	<u>10,664</u>	<u>-</u>	<u>8,200</u>	<u>18,864</u>
EXPENDITURES				
Current:				
General government	1,403,279	-	15,633	1,418,912
Total expenditures	<u>1,403,279</u>	<u>-</u>	<u>15,633</u>	<u>1,418,912</u>
Capital outlay	-	3,255	100	3,355
Total expenditures	<u>1,403,279</u>	<u>3,255</u>	<u>15,733</u>	<u>1,422,267</u>
Excess (deficiency) of revenues over expenditures	<u>(1,392,615)</u>	<u>(3,255)</u>	<u>(7,533)</u>	<u>(1,403,403)</u>
Other financing sources (uses):				
Operating transfers in (out)	-	(19,900)	23,600	3,700
Total other financing sources (uses)	<u>-</u>	<u>(19,900)</u>	<u>23,600</u>	<u>3,700</u>
Net changes in fund balances	(1,392,615)	(23,155)	16,067	(1,399,703)
Fund balances - beginning of year	<u>2,039,371</u>	<u>43,251</u>	<u>8,317</u>	<u>2,090,939</u>
Fund balances - end of the year	<u>\$ 646,756</u>	<u>\$ 20,096</u>	<u>\$ 24,384</u>	<u>\$ 691,236</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement D-3

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Detention Center Construction Capital Projects Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ 10,090	\$ 10,084	\$ (6)
Miscellaneous	-	-	-	-
Total revenues	-	10,090	10,084	(6)
EXPENDITURES				
Current:				
General government	1,412,900	1,467,765	1,455,801	11,964
Capital outlay	4,500	4,500	-	4,500
Total expenditures	1,417,400	1,472,265	1,455,801	16,464
Excess (deficiency) of revenues over expenditures	(1,417,400)	(1,462,175)	(1,445,717)	16,458
Other financing sources (uses):				
Designated cash	1,417,400	1,462,175	-	(1,462,175)
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	1,417,400	1,462,175	-	(1,462,175)
Net change in fund balance	-	-	(1,445,717)	(1,445,717)
Fund balance - beginning of year	-	-	2,092,398	2,092,398
Fund balance - end of the year	\$ -	\$ -	\$ 646,681	\$ 646,681

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Statement D-4

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Administration Construction Capital Projects Fund
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Capital outlay	-	19,656	3,255	16,401
Total expenditures	-	19,656	3,255	16,401
Excess (deficiency) of revenues over expenditures	-	(19,656)	(3,255)	16,401
Other financing sources (uses):				
Designated cash	-	82,808	-	(82,808)
Operating transfers in (out)	-	(63,152)	(19,900)	43,252
Total other financing sources (uses)	-	19,656	(19,900)	(39,556)
Net change in fund balance	-	-	(23,155)	(23,155)
Fund balance - beginning of year	-	-	43,251	43,251
Fund balance - end of the year	\$ -	\$ -	\$ 20,096	\$ 20,096

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

**STATE OF NEW MEXICO
CHAVES COUNTY**

Exhibit D-5

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Courthouse Construction Project Capital Projects Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	8,205	8,200	(5)
	-	8,205	8,200	(5)
EXPENDITURES				
Current:				
General government:				
Operating expenses	-	15,650	15,633	17
Capital outlay	-	24,467	100	24,367
Total expenditures	-	40,117	15,733	24,384
Excess (deficiency) of revenues over expenditures	-	(31,912)	(7,533)	24,379
Other financing sources (uses):				
Designated cash balance	-	8,312	-	(8,312)
Operating transfers in (out)	-	23,600	23,600	-
Total other financing sources (uses)	-	31,912	23,600	(8,312)
Net change in fund balances	-	-	16,067	16,067
Fund balance - beginning of year	-	-	8,317	8,317
Fund balance - end of the year	\$ -	\$ -	\$ 24,384	\$ 24,384

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

PERMANENT FUND

**STATE OF NEW MEXICO
CHAVES COUNTY**

Exhibit E-1

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
County Permanent Fund
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
	-	-	-	-
EXPENDITURES				
Current:				
General government:	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Designated cash balance	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	-	-	50,000,000	50,000,000
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000,000</u>	<u>\$ 50,000,000</u>

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

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
CHAVES COUNTY
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Asset Class and Source
For the Year Ended June 30, 2006

	<u>Balance</u> <u>June 30, 2005</u>	<u>Transfers in/ Additions</u>	<u>Transfer out/ Deletions</u>
Governmental funds capital assets:			
Land	\$ 2,877,268	\$ 67,162	\$ -
Buildings	31,305,164	15,527,437	146,751
Machinery and mobile equipment	14,293,555	934,073	127,850
Equipment and building fixtures	5,263,112	646,169	-
Infrastructure	57,835,297	4,303,835	-
Construction in progress	16,672,857	52,767	14,138,951
	<u>128,247,253</u>	<u>21,531,443</u>	<u>14,413,552</u>
Total governmental funds capital assets	\$ 128,247,253	\$ 21,531,443	\$ 14,413,552
Investments in governmental funds capital assets by source:			
General Fund revenues	\$ 32,931,926	\$ 14,244,043	\$ 14,138,951
Federal grants	1,999,187	729,577	-
State grants	10,695,657	1,239,885	-
Special revenue funds	66,651,925	4,769,649	127,850
Special assessments	1,877,276	187,260	-
Donated	299,437	4,653	-
Unknown and other sources	13,791,845	356,376	146,751
	<u>128,247,253</u>	<u>21,531,443</u>	<u>14,413,552</u>
Total governmental funds capital assets	\$ 128,247,253	\$ 21,531,443	\$ 14,413,552

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

<u>Adjustments</u>	<u>Balance June 30, 2006</u>
\$ 668,053	\$ 3,612,483
631,496	47,317,346
(357,900)	14,741,878
9,912	5,919,193
-	62,139,132
(2,252,899)	333,774
<u>\$ (1,301,338)</u>	<u>\$ 134,063,806</u>
\$ -	\$ 33,037,018
-	2,728,764
-	11,935,542
-	71,293,724
-	2,064,536
-	304,090
(1,301,338)	12,700,132
<u>\$ (1,301,338)</u>	<u>\$ 134,063,806</u>

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FIDUCIARY FUNDS

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STATE OF NEW MEXICO

Schedule II

CHAVES COUNTY

Schedule of Changes in Fiduciary Assets and Liabilities

Fiduciary Funds

Year Ended June 30, 2006

	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
ASSETS				
Cash and cash equivalents	\$ 283,294	\$ 16,465,086	\$ 16,371,948	\$ 376,432
Prepaid expenses	-	286	-	286
Receivables:				
Property Taxes	-	950,832	\$ -	950,832
Oil & Gas Taxes	161,322	93,473	161,322	93,473
Total assets	<u>\$ 444,616</u>	<u>\$ 17,509,677</u>	<u>\$ 16,533,270</u>	<u>\$ 1,421,023</u>
LIABILITIES				
Accrued expenses	\$ 4,571	\$ 953,686	\$ 4,571	\$ 953,686
Due to other taxing units	440,045	16,555,991	16,528,699	467,337
Total liabilities	<u>\$ 444,616</u>	<u>\$ 17,509,677</u>	<u>\$ 16,533,270</u>	<u>\$ 1,421,023</u>

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

STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2006

County #	a	b	c
	NM Counties	NM Association of Counties	Creation and operation of a workers' compensation fund.
	NM Counties	NM Association of Counties	To provide a Multi-Line fund for property and casualty insurance
A-84-83	Chaves County and Otero County	Chaves County and Otero County	Construction and maintainance of county roads
A-90-15	Chaves County & City of Roswell	Chaves County & City of Roswell	Coordinating control of all disasters within their respective jurisdictions
A-95-77	NM State Highway Dept; SNMEDD; SEPRO	NM State Highway Dept	Data collection requirements of the Intermodal Surface Transportation Efficiency Act
A-98-90	NM State Highway Dept & Chaves County	Chaves County	Energy and maintenance of warning flashers at the intersection of the Relief Route and Sunset
A-99-66	Chaves County & State of NM Dept of Corrections	Chaves County	House and feed the Parole Violator, provide and operate the dentention facility, detain parolees for the Department
A-01-24	NMPRC Insurance Division; Fire Marshal's Office; & Chaves County	Chaves County	Develop and implement a county-wide hazardous materials emergency response training program
A-02-157	NMISC; Chaves County; Chaves County Flood Commission; City of Roswell; and Corps of Engineers	NMISC; Chaves County; Chaves County Flood Commission; City of Roswell; and Corps of Engineers	For the parties to work cooperatively to undertake and complete the work necessary to increase the Rio Hondo channel capacity
A-02-165	NM State Highway Dept & Chaves County	Chaves County	To provide electrical energy and maintenance of lighting at the intersection of US 285 and the Roswell Relief Route
A-02-172	Chaves County & State of NM Dept of Corrections	Chaves County	To establish the rights and responsibilities of the parties as to the operation of Chaves County District 8 Fire Station
A-04-91	NM Energy, Minerals & Natural Resources; Chaves County	Chaves County	The control of timber, grass, and woodland fires in and adjacent to developed areas
A-05-013	Chaves County and the Town of Dexter	Chaves County and the Town of Dexter	To provide for protection of life and property by enforcement codes and standards for flood plain management
A-05-015	City of Roswell and Chaves County	Pecos Valley Regional Communication Center District	Operating, administering and maintaining a joint enhanced 911 Regional Emergency Communication Center
A-05-045 A-05-013	Chaves County and the Town of Super. Dexter	Chaves County and the Town of Dexter	To provide for protection of life and property by enforcement codes and standards for flood plain management
A-06-014	Chaves County and Flood Control	Chaves County and Flood Control	To establish Flood Control as a Chaves County department

Columns:

- a Participants
- b Party responsible for operations
- c Description
- d Beginning and ending dates of the JPA
- e Total estimated amount of the project and portion applicable to the agency
- f Amount of the agency contribution in the current fiscal year
- g Audit Responsibility
- i Name of government agency where revenues and expenditures are reported
- h Fiscal agent if applicable

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

d	e	f	g	h	i
07/01/87 - Indefinite	Unknown	Unknown	NM Association of Counties	NM Association of Counties	NM Association of Counties
07/01/87 - Indefinite	Unknown	Unknown	NM Association of Counties	NM Association of Counties	NM Association of Counties
10/19/84 - Indefinite	Unknown	Unknown	Chaves County and Otero County	N/A	Chaves County and Otero County
04/12/90 - Indefinite	Unknown	Unknown	Chaves County & City of Roswell	Chaves County & City of Roswell	Chaves County & City of Roswell
10/17/95 - Indefinite	SEPRO pays 14.56% of total	Unknown	SNMEDD	SNMEDD	SNMEDD
11/24/98 - Indefinite	All annual costs	Unknown	Chaves County	N/A	Chaves County
May 26, 1999 - June 30, 2000 annually	Unknown	Unknown	Chaves County	N/A	Chaves County
04/09/01 - Indefinite	\$11,000	None	Chaves County	N/A	Chaves County
11/6/01 - 12/31/10	Unknown	Unknown	NMISC; Chaves County; Chaves County Flood Commission; City of Roswell; and Corps of Engineers	N/A	NMISC; Chaves County; Chaves County Flood Commission; City of Roswell; and Corps of Engineers
01/24/03 - Indefinite	All annual costs	Unknown	Chaves County	N/A	Chaves County
12/13/02 - Indefinite	Unknown	Unknown	Chaves County	N/A	Chaves County
09/13/04 - Indefinite	None	None	Chaves County	N/A	Chaves County
N/A	Unknown	Unknown	Chaves County	N/A	Chaves County
07/19/05 - Indefinite	Unknown	None	Pecos Valley Regional Communication Center District	N/A	Pecos Valley Regional Communication Center District
N/A	Unknown	Unknown	Chaves County	N/A	Chaves County
04/06/06 - Indefinite	Unknown	Unknown	Chaves County	N/A	Chaves County

STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF MEMORANDUMS OF UNDERSTANDING
June 30, 2006

MOU #	County #	a	b	c
	A-00-82	Chaves County and B.I. Incorporated	Chaves County	(2) Renewals of monitoring service agreement
M-06-006	A-04-16	NM Department of Public Safety and Chaves County	Chaves County	Renewal of lease agreement
	A-03-130	Chaves County and Town of Dexter	Chaves County	Renewal of lease agreement
	A-01-94	Chaves County and Dr. Jack Graham	Chaves County	Renewal of lease agreement
M-06-004	A-05-067	Chaves County and Suzette Leaton	Chaves County	Professional services contract
	A-02-65	Chaves County and Wayne A. Delamater, M.D.	Chaves County	Renewal of lease agreement
M-06-001	A-03-117	Chaves County and Dr. Donald Wenner	Chaves County	(2) Renewals of lease agreement
M-06-002	A-03-127	Chaves County and ECO Planning, Inc.	ECO Planning, Inc.	Professional services contract
	A-04-07	Chaves County and Elfigo Polaco, Jr.	Elfigo Polaco, Jr.	(2) Renewals of lease agreement and amendment removing items in Exhibit B
	A-02-164	Chaves County and the Roswell Hispano Chamber of Commerce	Roswell Hispano Chamber of Commerce	(2) Renewals of lease agreement
M-06-009	N-06-004	Chaves County and Mary Lou Chacon	Chaves County	Professional services contract
M-06-005	A-02-150	Chaves County and La Casa De Buena Salud	La Casa De Buena Salud	Renewal of professional medical services contract
M-06-003		Chaves County & DFA/LGD/DWI Program	Chaves County	Repository for the designated screening & tracking data from each NM DWI Program
M-06-008	A-02-53	Chaves County and Summit Food Services	Summit Food Services	Renewal of professional food management contract
M-06-007	A-02-54 A-03-22	Summit Food Services Management, Inc.	Summit Food Services Management, Inc.	
		Chaves County and BLM	BLM	To include Chaves County as a cooperating agency in development of the EIS for RMP Amendment

Columns:

- a Participants
- b Party responsible for operations
- c Description
- d Beginning and ending dates of the MOU
- e Total estimated amount of the project and portion applicable to the agency
- f Amount of the agency contribution in the current fiscal year
- g Audit Responsibility
- h Fiscal agent if applicable
- i Name of government agency where revenues and expenditures are reported

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

d	e	f	g	h	i
8/1/03 - 07/31/05	Unknown	\$16,782	Chaves County	N/A	Chaves County
07/01/06 - 09/30/07	None	None	Chaves County	N/A	Chaves County
07/01/04 - 06/30/05	None	None	Chaves County	N/A	Chaves County
07/01/04 - 06/30/05	\$14,100	None	Chaves County	N/A	Chaves County
12/01/05 - 12/31/05	Unknown	Unknown	Chaves County	N/A	Chaves County
07/01/04 - 06/30/05	\$43,200	None	Chaves County	N/A	Chaves County
1/01/06 - 12/31/06	\$87,120	None	Chaves County	N/A	Chaves County
07/01/05 - 06/30/06	\$22,500	\$22,500	Chaves County	N/A	Chaves County
04/01/04 - 03/31/06	\$7,224	None	Chaves County	N/A	Chaves County
01/01/05 - 12/31/05	\$8,400	None	Chaves County and the Roswell Hispano Chamber of Commerce	N/A	Chaves County
06/01/06 - 06/30/06	Unknown	Unknown	Chaves County	N/A	Chaves County
10/01/05 - 09/30/06	\$350,000	\$274,622	Chaves County and La Casa De Buena Salud	N/A	Chaves County
02/16/06 - 06/30/07	Unknown	Unknown	Chaves County & NM DFA	N/A	Chaves County & NM DFA
07/01/05 - 06/30/06 & 07/01/06 - 06/30/07	Unknown	Unknown	Summit Food Services Management, Inc.	N/A	Chaves County
1/13/05 - indefinite	Unknown	Unknown	Chaves County and BLM	N/A	Chaves County and BLM

STATE OF NEW MEXICO
CHAVES COUNTY
Schedule of Collateral Pledged by Depository
For the Year Ended June 30, 2006

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2006	Name and Location of Safekeeper
First Federal Bank	FHLB 3128X1WM5 Due 8/4/06	\$ 1,097,327	Federal Home Loan Bank Dallas, TX
First National Bank	FHLMC 31282CJH1 Due 4/1/17	116,371	Federal Home Loan Bank Dallas, TX
	FNMA 31404GM57 Due 3/1/19	77,747	Federal Home Loan Bank Dallas, TX
	FHLB 31339X3P7 Due	329,221	Federal Home Loan Bank Dallas, TX
		<u>523,339</u>	
Pioneer Bank	FHLMC ARM 1B0951 Due 7/1/33	1,132,183	Federal Home Loan Bank Dallas, TX
	FHLMC ARM 780217 Due 1/1/33	484,462	Federal Home Loan Bank Dallas, TX
	GNMA 780313-1 Due 1/15/11	7,952	Federal Home Loan Bank Dallas, TX
	GNMA II ARM 080540 Due 9/20/31	1,202,013	Federal Home Loan Bank Dallas, TX
	FHLMC 782804 Due 11/1/34	708,397	Federal Home Loan Bank Dallas, TX
		<u>3,535,007</u>	
Valley Bank of Commerce	FHLMC Gold M80926 Due 7/1/11	740,406	Federal Home Loan Bank Dallas, TX
Wells Fargo Bank	FNCL 666295 AAA Due 11/1/32	501,295	Federal Reserve Bank Kansas, City, MO

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

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2006	Name and Location of Safekeeper
Bank of America	GNMA 36200Q3L6 Due 2/15/32	9,551	Federal Reserve Bank Boston, MA
	GNMA 36201ELN8 Due 1/15/17	5,866	Federal Reserve Bank Boston, MA
	GNMA 36202DQ20 Due 12/20/31	63,293	Federal Reserve Bank Boston, MA
	GNMA 36202DX63 Due 6/20/33	17,084	Federal Reserve Bank Boston, MA
	GNMA 36209VNV2 Due 1/15/29	661	Federal Reserve Bank Boston, MA
	GNMA 36210AZH3 Due 1/15/29	1,037	Federal Reserve Bank Boston, MA
	GNMA 36225ADJ6 Due 1/15/25	45,173	Federal Reserve Bank Boston, MA
	GNMA 36225AT59 Due 5/15/09	742	Federal Reserve Bank Boston, MA
	GNMA 36225ATP5 Due 12/15/23	34,006	Federal Reserve Bank Boston, MA
	GNMA 36225AYK0 Due 2/15/13	759,161	Federal Reserve Bank Boston, MA
	GNMA 36225BAN8 Due 09/15/24	2,530	Federal Reserve Bank Boston, MA
	GNMA 36225BUU0 Due 9/20/32	53,386	Federal Reserve Bank Boston, MA
	GNMA 36225BZR2 Due 10/15/18	27,333	Federal Reserve Bank Boston, MA
		<u>1,019,823</u>	
		<u>\$ 7,417,197</u>	

STATE OF NEW MEXICO
CHAVES COUNTY
Schedule of Individual Deposit Accounts and Investments
For the Year Ended June 30, 2006

Type of Bank Account	Bank of Albuquerque	Bank of America	First Federal	First National Bank	Pioneer Bank
Checking Sheriff's Special Fund	\$ -	\$ -	\$ -	\$ -	\$ 16,691
Checking CCDC Inmate	-	-	-	-	31,817
Checking Federal Taxes	-	-	-	-	-
Checking Constr. Retainage	-	-	-	-	20,206
Checking CDBG	-	-	-	-	200,000
Checking L F Road	-	-	-	-	647,159
Checking General Operating	-	-	-	-	1,903,983
Checking Payroll	-	-	-	-	3,706
CD	-	-	500,000	500,000	500,000
CD	-	-	500,000	-	500,000
CD	-	1,115,488	-	-	-
GNMA Investment	955,317	-	-	-	-
Investment	1,233,296	-	-	-	-
Investment	902,082	-	-	-	-
Total on deposit	3,090,695	1,115,488	1,000,000	500,000	3,823,562
Reconciling items	9,952	(385)	-	-	(834,690)
Reconciled balance as of 06/30/06	<u>\$ 3,100,647</u>	<u>\$ 1,115,103</u>	<u>\$ 1,000,000</u>	<u>\$ 500,000</u>	<u>\$ 2,988,872</u>

Petty cash

Total cash and temporary investments
Less: cash and temporary investments - Agency Funds

Combined balance sheet total - June 30, 2006

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

Wells Fargo Bank	Valley Bank	Wachovia Securities	Merrill Lynch	NM State Treasurer	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	16,691
-	-	-	-	-	31,817
100,000	-	-	-	-	100,000
-	-	-	-	-	20,206
-	-	-	-	-	200,000
-	-	-	-	-	647,159
-	-	-	-	-	1,903,983
-	-	-	-	-	3,706
500,000	500,000	-	-	-	2,500,000
-	-	-	-	-	1,000,000
-	-	-	-	-	1,115,488
-	-	-	-	-	-
57,755,678	-	-	5,869,755	-	64,580,750
-	-	8,601	-	-	1,241,897
-	-	-	-	1,204,800	2,106,882
58,355,678	500,000	8,601	5,869,755	1,204,800	75,468,579
(4,121,173)	-	632	11,295	-	(4,934,369)
<u>\$ 54,234,505</u>	<u>\$ 500,000</u>	<u>\$ 9,233</u>	<u>\$ 5,881,050</u>	<u>\$ 1,204,800</u>	70,534,210
					650
					70,534,860
					(376,432)
					<u>\$ 70,158,428</u>

STATE OF NEW MEXICO
 CHAVES COUNTY
 Tax Roll Reconciliation - Changes in Property Taxes Receivable
 For the Year Ended June 30, 2006

Schedule VII

Property taxes receivable, beginning of year	\$	1,422,331
Changes to Tax Roll:		
Net taxes charged to treasurer for fiscal year		20,024,192
Adjustment for Special Predator Control and Pecos Valley Water Master		(9,791)
Adjustments for error in prior year tax receivable balance		296
Total receivable prior to collection		21,437,028
Collections for fiscal year ended June 30, 2006		(20,036,549)
Property taxes receivable, end of year	\$	1,400,479
Property taxes receivable by year:		
1994-1996	\$	10,857
1997		7,539
1998		11,899
1999		24,020
2000		9,791
2001		10,644
2002		23,446
2003		74,294
2004		286,444
2005		941,545
Total taxes receivable	\$	1,400,479

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

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	AGENCY	31.70	40,924.45	31.70	40,924.45				1,989.26
1997	CATTLE - HORSE STATE LEVY	26.15	36,275.99	26.15	36,275.99				811.37
1998	CATTLE - HORSE STATE LEVY	40.81	53,825.38	40.81	53,825.38				1,226.55
1999	CATTLE - HORSE STATE LEVY	16.95	53,896.49	16.95	53,896.49				1,040.19
2000	CATTLE - HORSE STATE LEVY	56.05	50,784.24	56.05	50,784.24				1,015.77
2001	CATTLE - HORSE STATE LEVY	56.69	44,756.74	56.69	44,756.74				932.32
2002	CATTLE - HORSE STATE LEVY	110.40	41,607.52	110.40	41,607.52				31.65
2003	CATTLE - HORSE STATE LEVY	355.29	44,193.44	355.29	44,193.44				212.57
2004	CATTLE - HORSE STATE LEVY	41,815.04	41,815.04	41,815.04	41,815.04				606.05
2005	CATTLE - HORSE STATE LEVY	42,550.33	461,538.07	42,550.33	461,538.07				8,502.80
1996	DAIRY STATE LEVY	0.00	51,658.55	0.00	51,658.55				16,368.53
1997	DAIRY STATE LEVY	0.00	47,655.38	0.00	47,655.38				2.78
1998	DAIRY STATE LEVY	0.00	62,338.21	0.00	62,338.21				2.21
1999	DAIRY STATE LEVY	0.00	60,156.06	0.00	60,156.06				164.79
2000	DAIRY STATE LEVY	0.00	82,308.13	0.00	82,308.13				2,944.36
2001	DAIRY STATE LEVY	0.00	98,217.48	0.00	98,217.48				239.29
2002	DAIRY STATE LEVY	0.00	117,477.67	0.00	117,477.67				0.00
2003	DAIRY STATE LEVY	0.00	120,015.53	0.00	120,015.53				2,407.27
2004	DAIRY STATE LEVY	3,405.33	108,586.11	3,405.33	108,586.11				1,847.15
2005	DAIRY STATE LEVY	123,870.54	123,870.54	123,870.54	123,870.54				1,719.10
1996	GOAT STATE LEVY	0.00	16,134.73	0.00	16,134.73				3,966.29
1997	GOAT STATE LEVY	0.00	13,134.09	0.00	13,134.09				701.77
1998	GOAT STATE LEVY	0.00	19,737.74	0.00	19,737.74				663.03
1999	GOAT STATE LEVY	0.00	8,513.29	0.00	8,513.29				932.79
2000	GOAT STATE LEVY	0.00	6,991.54	0.00	6,991.54				298.76
2001	GOAT STATE LEVY	0.00	6,425.50	0.00	6,425.50				202.76
2002	GOAT STATE LEVY	0.00	4,348.12	0.00	4,348.12				92.32
2003	GOAT STATE LEVY	1.79	3,403.97	1.79	3,403.97				119.78
2004	GOAT STATE LEVY	1.86	3,025.75	1.86	3,025.75				2.70
2005	GOAT STATE LEVY	3,592.89	85,307.62	3,592.89	85,307.62				504.26
1996	FLOOD CONTROL	1.97	362,172.55	1.97	362,172.55				1.13
1997	FLOOD CONTROL	2.65	392,837.19	2.65	392,837.19				0.17
1998	FLOOD CONTROL	18.46	400,453.63	18.46	400,453.63				53.09
1999	FLOOD CONTROL	24.13	449,758.37	24.13	449,758.37				6.81
2000	FLOOD CONTROL	277.90	700,118.37	277.90	700,118.37				101.14
2001	FLOOD CONTROL	2,081.17	715,105.31	2,081.17	715,105.31				248.29
2002	FLOOD CONTROL	10,278.56	755,662.89	10,278.56	755,662.89				261.33
2003	FLOOD CONTROL	26,274.03	738,823.81	26,274.03	738,823.81				2,341.50
2004	FLOOD CONTROL	781,329.00	781,329.00	781,329.00	781,329.00				11,442.85
2005	FLOOD CONTROL	820,290.52	5,721,394.68	820,290.52	5,721,394.68				39,908.61
1996	PECOS VALLEY CONSERVANCY DIST	1.92	333,442.79	1.92	333,442.79				54,364.92
1997	PECOS VALLEY CONSERVANCY DIST	2.42	338,048.81	2.42	338,048.81				1.10
1998	PECOS VALLEY CONSERVANCY DIST	18.38	399,235.59	18.38	399,235.59				0.15
1999	PECOS VALLEY CONSERVANCY DIST	46.72	823,698.06	46.72	823,698.06				48.47
2000	PECOS VALLEY CONSERVANCY DIST	361.19	875,924.80	361.19	875,924.80				6.78
2001	PECOS VALLEY CONSERVANCY DIST	2,548.79	898,089.50	2,548.79	898,089.50				29.92
2002	PECOS VALLEY CONSERVANCY DIST	13,149.45	934,929.64	13,149.45	934,929.64				186.60
2003	PECOS VALLEY CONSERVANCY DIST	35,216.76	973,622.11	35,216.76	973,622.11				344.62
2004	PECOS VALLEY CONSERVANCY DIST	1,031,614.97	1,031,614.97	1,031,614.97	1,031,614.97				2,904.52
2005	PECOS VALLEY CONSERVANCY DIST	1,082,963.02	6,953,122.55	1,082,963.02	6,953,122.55				15,844.68

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

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	21,896.78	0.10	21,896.76	0.10	21,896.76	0.00	21,896.76	0.00	0.00
1997	37,763.04	0.52	37,763.00	0.52	37,763.00	0.00	37,763.00	0.00	0.04
1998	38,066.18	0.51	38,065.08	0.51	38,065.08	0.00	38,065.08	0.00	1.10
1999	63,191.06	0.72	63,190.36	0.72	63,190.36	0.00	63,190.36	0.00	0.70
2000	67,621.01	1.64	67,620.02	1.64	67,620.02	0.00	67,620.02	0.00	0.99
2001	79,507.59	21.16	79,495.82	21.16	79,495.82	0.00	79,495.82	0.00	11.77
2002	81,046.22	290.74	81,006.18	290.74	81,006.18	0.00	81,006.18	0.00	40.04
2003	84,012.41	1,381.86	83,824.44	1,381.86	83,824.44	0.00	83,824.44	0.00	187.97
2004	88,581.82	2,940.78	87,405.75	2,940.78	87,405.75	0.00	87,405.75	0.00	1,176.07
2005	99,111.45	95,312.54	655,579.95	95,312.54	95,312.54	0.00	95,312.54	0.00	3,798.91
	660,797.56	99,950.57	655,579.95	99,950.57	655,579.95	0.00	655,579.95	0.00	5,217.61
1996	16.45	0.00	16.45	0.00	16.45	0.00	16.45	0.00	0.00
1997	14.16	0.00	14.16	0.00	14.16	0.00	14.16	0.00	0.00
1998	13.46	0.00	13.46	0.00	13.46	0.00	13.46	0.00	0.00
1999	12.11	0.00	12.11	0.00	12.11	0.00	12.11	0.00	0.00
2000	13.98	0.00	13.98	0.00	13.98	0.00	13.98	0.00	0.00
2001	13.75	0.00	13.75	0.00	13.75	0.00	13.75	0.00	0.00
2002	13.86	0.00	13.86	0.00	13.86	0.00	13.86	0.00	0.00
2003	10.15	0.00	10.15	0.00	10.15	0.00	10.15	0.00	0.00
2004	11.74	11.72	11.74	11.72	11.74	0.00	11.74	0.00	0.00
2005	131.12	23.18	131.12	23.18	131.12	0.00	131.12	0.00	0.00
1996	12,286.04	0.00	12,285.94	0.00	12,285.94	0.00	12,285.94	0.00	0.00
1997	13,253.71	0.00	13,253.61	0.00	13,253.61	0.00	13,253.61	0.00	0.00
1998	15,362.34	14.23	15,362.24	14.23	15,362.24	0.00	15,362.24	0.00	0.10
1999	15,670.68	23.77	15,670.58	23.77	15,670.58	0.00	15,670.58	0.00	0.10
2000	15,859.78	218.95	15,840.42	218.95	15,840.42	0.00	15,840.42	0.00	19.36
2001	16,268.27	570.41	16,140.31	570.41	16,140.31	0.00	16,140.31	0.00	127.96
2002	16,671.53	16,016.39	16,016.39	16,016.39	16,016.39	0.00	16,016.39	0.00	655.14
2003	93,086.31	16,843.75	104,569.49	16,843.75	104,569.49	0.00	104,569.49	0.00	802.86
1996	1,169.45	0.00	1,169.45	0.00	1,169.45	0.00	1,169.45	0.00	0.00
1997	2,313.15	0.00	2,313.15	0.00	2,313.15	0.00	2,313.15	0.00	0.00
1998	2,319.20	0.00	2,319.20	0.00	2,319.20	0.00	2,319.20	0.00	0.00
1999	2,315.82	0.00	2,315.82	0.00	2,315.82	0.00	2,315.82	0.00	0.00
2000	2,318.69	0.00	2,318.69	0.00	2,318.69	0.00	2,318.69	0.00	0.00
2001	2,657.21	0.00	2,657.21	0.00	2,657.21	0.00	2,657.21	0.00	0.00
2002	2,689.99	1.33	2,689.99	1.33	2,689.99	0.00	2,689.99	0.00	0.00
2003	2,709.45	1.33	2,709.45	1.33	2,709.45	0.00	2,709.45	0.00	0.00
2004	2,954.45	2.34	2,954.12	2.34	2,954.12	0.00	2,954.12	0.00	0.33
2005	2,966.20	2,741.07	2,741.07	2,741.07	2,741.07	0.00	2,741.07	0.00	225.13
	24,413.61	2,746.07	24,188.15	2,746.07	24,188.15	0.00	24,188.15	0.00	225.46
1996	988.74	0.00	988.74	0.00	988.74	0.00	988.74	0.00	0.00
1997	980.34	0.00	980.34	0.00	980.34	0.00	980.34	0.00	0.00
1998	1,105.71	0.00	1,105.71	0.00	1,105.71	0.00	1,105.71	0.00	0.00
1999	1,117.33	0.00	1,117.33	0.00	1,117.33	0.00	1,117.33	0.00	0.00
2000	1,120.40	0.00	1,120.40	0.00	1,120.40	0.00	1,120.40	0.00	0.00
2001	1,130.46	1.92	1,129.50	1.92	1,129.50	0.00	1,129.50	0.00	0.96
2002	1,171.49	1.87	1,170.55	1.87	1,170.55	0.00	1,170.55	0.00	0.94
2003	1,259.93	10.56	1,255.20	10.56	1,255.20	0.00	1,255.20	0.00	4.73
2004	1,301.46	29.16	1,279.72	29.16	1,279.72	0.00	1,279.72	0.00	21.74
2005	2,893.10	2,122.93	2,122.93	2,122.93	2,122.93	0.00	2,122.93	0.00	770.17
	13,068.96	2,165.44	12,270.42	2,165.44	12,270.42	0.00	12,270.42	0.00	798.54

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State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1997	325.40	0.00	0.00	0.00	325.40	0.00	325.40	0.00	0.00
1998	650.77	0.00	650.77	0.00	650.77	0.00	650.77	0.00	0.00
1999	655.13	0.00	655.13	0.00	655.13	0.00	655.13	0.00	0.00
2000	653.88	0.00	653.88	0.00	653.88	0.00	653.88	0.00	0.00
2001	852.89	0.00	852.89	0.00	852.89	0.00	852.89	0.00	0.00
2002	830.97	0.00	830.97	0.00	830.97	0.00	830.97	0.00	0.00
2003	823.69	0.00	823.69	0.00	823.69	0.00	823.69	0.00	0.00
2004	812.86	1.67	812.86	1.67	812.86	0.00	812.86	0.00	0.00
2005	674.70	663.09	663.09	663.09	663.09	0.00	663.09	11.61	11.61
	6,280.29	664.76	6,280.29	664.76	6,280.29	0.00	6,280.29	0.00	0.00
1996	4,246.43	0.00	4,246.43	0.00	4,246.43	0.00	4,246.43	0.00	0.00
1997	4,249.23	0.00	4,249.23	0.00	4,249.23	0.00	4,249.23	0.00	0.00
1998	4,918.41	0.00	4,918.41	0.00	4,918.41	0.00	4,918.41	0.00	0.00
1999	4,988.14	0.00	4,988.14	0.00	4,988.14	0.00	4,988.14	0.00	0.00
2000	5,037.28	0.00	5,037.28	0.00	5,037.28	0.00	5,037.28	0.00	0.00
2001	8,242.17	0.00	8,242.17	0.00	8,242.17	0.00	8,242.17	0.00	0.00
2002	8,578.89	0.00	8,578.89	0.00	8,578.89	0.00	8,578.89	0.00	0.00
2003	9,354.17	0.00	9,354.17	0.00	9,354.17	0.00	9,354.17	0.00	0.00
2004	9,692.64	76.16	9,692.64	76.16	9,692.64	0.00	9,692.64	0.00	0.00
2005	10,040.78	7,956.78	7,956.78	7,956.78	7,956.78	0.00	7,956.78	39.37	39.37
	69,348.14	8,032.94	67,207.57	8,032.94	67,207.57	0.00	67,207.57	2,140.57	2,140.57
2003	31.34	0.00	31.34	0.00	31.34	0.00	31.34	0.00	0.00
2004	6.17	0.00	6.17	0.00	6.17	0.00	6.17	0.00	0.00
2005	4.67	4.67	4.67	4.67	4.67	0.00	4.67	0.00	0.00
	42.18	4.67	42.18	4.67	42.18	0.00	42.18	0.00	0.00
1994		0.00	(13.20)	0.00	(13.20)	0.00	(13.20)	13.20	13.20
1995		0.00	(2.18)	0.00	(2.18)	0.00	(2.18)	2.18	2.18
1996	697,256.07	0.00	696,823.50	0.00	696,823.50	0.00	696,823.50	432.57	432.57
1997	608,972.68	0.00	608,653.82	0.00	608,653.82	0.00	608,653.82	318.86	318.86
1998	687,730.02	0.00	667,258.75	0.00	667,258.75	0.00	667,258.75	471.27	471.27
1999	783,675.34	0.00	782,601.89	0.00	782,601.89	0.00	782,601.89	1,073.45	1,073.45
2000	843,575.84	0.00	843,127.85	0.00	843,127.85	0.00	843,127.85	447.99	447.99
2001	1,016,157.42	284.12	1,015,671.88	284.12	1,015,671.88	0.00	1,015,671.88	485.54	485.54
2002	656,443.87	1,681.45	655,371.71	1,681.45	655,371.71	0.00	655,371.71	1,072.16	1,072.16
2003	936,055.76	7,975.71	932,760.79	7,975.71	932,760.79	0.00	932,760.79	3,294.97	3,294.97
2004	643,846.39	19,957.38	631,589.91	19,957.38	631,589.91	0.00	631,589.91	12,256.48	12,256.48
2005	850,429.50	810,539.50	810,539.50	810,539.50	810,539.50	0.00	810,539.50	39,890.00	39,890.00
	7,704,142.89	840,438.16	7,644,384.22	840,438.16	7,644,384.22	0.00	7,644,384.22	59,758.67	59,758.67
1994		0.00	(72.26)	0.00	(72.26)	0.00	(72.26)	72.26	72.26
1995		0.00	(11.95)	0.00	(11.95)	0.00	(11.95)	11.95	11.95
1996	3,170,401.92	108.43	3,166,844.31	108.43	3,166,844.31	0.00	3,166,844.31	3,557.61	3,557.61
1997	4,572,565.16	61.26	4,570,026.42	61.26	4,570,026.42	0.00	4,570,026.42	2,538.74	2,538.74
1998	4,032,374.06	107.75	4,028,570.97	107.75	4,028,570.97	0.00	4,028,570.97	3,803.09	3,803.09
1999	4,310,877.20	113.80	4,302,087.73	113.80	4,302,087.73	0.00	4,302,087.73	8,789.47	8,789.47
2000	4,547,213.05	184.50	4,543,788.40	184.50	4,543,788.40	0.00	4,543,788.40	3,424.65	3,424.65
2001	4,803,911.84	3,051.76	4,800,451.02	3,051.76	4,800,451.02	0.00	4,800,451.02	3,460.82	3,460.82
2002	4,915,918.58	14,341.68	4,907,927.25	14,341.68	4,907,927.25	0.00	4,907,927.25	7,991.33	7,991.33
2003	5,083,800.38	65,389.94	5,061,982.09	65,389.94	5,061,982.09	0.00	5,061,982.09	21,818.29	21,818.29
2004	5,310,069.72	175,534.98	5,231,630.57	175,534.98	5,231,630.57	0.00	5,231,630.57	76,438.15	76,438.15
2005	5,842,063.01	5,580,688.04	5,580,688.04	5,580,688.04	5,580,688.04	0.00	5,580,688.04	261,374.97	261,374.97
	46,589,194.92	5,839,582.14	46,193,912.59	5,839,582.14	46,193,912.59	0.00	46,193,912.59	395,282.33	395,282.33

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

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	393,886.95	0.00	393,886.95	0.00	393,886.95	0.00	0.00	0.00	0.00
1997	382,924.92	0.00	382,924.92	0.00	382,924.92	0.00	0.00	0.00	0.00
1998	396,087.42	0.00	396,087.42	0.00	396,087.42	0.00	0.00	0.00	0.00
1999	428,324.58	0.00	428,324.58	0.00	428,324.58	0.00	0.00	0.00	0.00
2000	406,615.69	0.00	406,615.69	0.00	406,615.69	0.00	0.00	0.00	0.00
2001	375,373.73	0.00	375,373.73	0.00	375,373.73	0.00	0.00	0.00	0.00
2002	332,605.98	0.00	332,605.98	0.00	332,605.98	0.00	0.00	0.00	0.00
2003	2,715,819.27	0.00	2,715,819.27	0.00	2,715,819.27	0.00	0.00	0.00	0.00
1994		0.00	(9.73)	0.00	(9.73)				9.73
1995		0.00	(1.61)	0.00	(1.61)				1.61
1996	426,992.16	14.19	426,992.34	14.19	426,992.34				299.82
1997	433,125.03	6.73	432,913.99	6.73	432,913.99				211.04
1998	449,380.24	12.56	449,058.13	12.56	449,058.13				322.11
1999	477,892.21	18.13	477,073.67	18.13	477,073.67				818.54
2000	504,699.50	24.13	504,380.22	24.13	504,380.22				319.28
2001	535,176.43	34.35	534,808.11	34.35	534,808.11				368.32
2002	549,509.20	1,719.60	548,677.56	1,719.60	548,677.56				831.64
2003	566,716.98	7,888.05	566,195.47	7,888.05	566,195.47				2,521.51
2004	590,530.71	20,537.72	581,213.63	20,537.72	581,213.63				9,317.08
2005	646,585.39	616,415.69	616,415.69	616,415.69	616,415.69				30,169.70
	5,180,607.85	646,980.15	5,135,417.47	646,980.15	5,135,417.47				45,190.38
1994		0.00	(14.66)	0.00	(14.66)				14.66
1995		0.00	(2.42)	0.00	(2.42)				2.42
1996	601,995.33	21.93	601,581.87	21.93	601,581.87				413.46
1997	607,214.41	9.54	606,920.42	9.54	606,920.42				293.99
1998	623,506.14	18.53	623,059.40	18.53	623,059.40				446.74
1999	710,748.12	29.97	709,618.58	29.97	709,618.58				1,129.54
2000	742,675.37	34.10	742,226.23	34.10	742,226.23				489.14
2001	776,679.06	485.84	776,153.12	485.84	776,153.12				525.94
2002	789,703.88	2,478.25	788,529.37	2,478.25	788,529.37				1,174.51
2003	831,576.02	11,361.36	827,919.34	11,361.36	827,919.34				3,656.68
2004	843,328.75	29,329.03	829,718.83	29,329.03	829,718.83				13,609.92
2005	930,601.07	886,730.86	886,730.86	886,730.86	886,730.86				43,870.21
	7,458,028.15	930,499.41	7,392,440.94	930,499.41	7,392,440.94				65,587.21
1996	267.94	0.00	267.94	0.00	267.94				0.00
1997	736.76	0.00	736.76	0.00	736.76				0.00
1998	1,251.37	0.00	1,251.37	0.00	1,251.37				0.00
1999	1,610.09	0.00	1,610.09	0.00	1,610.09				0.00
2000	204.96	0.00	204.96	0.00	204.96				0.00
2001	213.68	0.00	213.68	0.00	213.68				0.00
2002	259.38	0.00	259.38	0.00	259.38				0.00
2003	256.08	0.00	256.08	0.00	256.08				0.00
2004	239.73	0.00	239.73	0.00	239.73				0.00
2005	240.65	240.65	240.65	240.65	240.65				0.00
	5,280.64	240.65	5,280.64	240.65	5,280.64				0.00
1994		0.00	(59.71)	0.00	(59.71)				59.71
1996	1,741,569.04	5.41	1,741,264.69	5.41	1,741,264.69				304.35
1997	2,193,830.81	2.61	2,193,347.24	2.61	2,193,347.24				483.57
1998	2,238,363.41	15.71	2,237,435.42	15.71	2,237,435.42				927.99
1999	2,409,345.38	124.16	2,408,622.87	124.16	2,408,622.87				722.51
2000	2,516,232.91	163.80	2,515,832.35	163.80	2,515,832.35				400.56
2001	2,644,260.96	2,123.58	2,643,368.13	2,123.58	2,643,368.13				892.83
2002	2,683,502.29	9,401.64	2,681,685.77	9,401.64	2,681,685.77				1,816.52
2003	2,769,816.90	42,909.91	2,756,316.78	42,909.91	2,756,316.78				11,497.62
2004	2,890,919.90	110,599.38	2,839,256.18	110,599.38	2,839,256.18				51,663.72
2005	3,141,574.40	2,982,201.53	2,982,201.53	2,982,201.53	2,982,201.53				159,372.87
	25,229,415.50	3,147,547.73	25,001,273.25	3,147,547.73	25,001,273.25				228,142.25

The accompanying notes are an integral part of these financial statements

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1994	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	0.00	(11.65)	0.00	(11.65)				11.65
1996	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	0.00	(56.01)	0.00	(56.01)				56.01
1997	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	0.00	(88.10)	0.00	(88.10)				88.10
1998	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	0.00	(169.05)	0.00	(169.05)				169.05
1999	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	0.00	926,410.79	0.00	926,410.79				132.98
2000	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	12.67	899,391.06	12.67	899,391.06				75.72
2001	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	300.63	1,044,674.97	300.63	1,044,674.97				170.26
2002	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	1,412.95	890,971.53	1,412.95	890,971.53				345.26
2003	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	6,355.43	887,443.07	6,355.43	887,443.07				2,196.67
2004	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	15,544.48	442,469.30	15,544.48	442,469.30				9,878.98
2005	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	565,988.51	565,988.51	565,988.51	565,988.51				30,386.37
2005	SCH. DIST. # 1 IN - MUNICIPAL DEBT SERVICE	589,614.67	5,657,024.42	589,614.67	5,657,024.42				43,511.05
1994	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	0.00	(2.35)	0.00	(2.35)				2.35
1996	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	0.64	151,316.83	0.64	151,316.83				18.28
1997	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	0.69	152,923.09	0.69	152,923.09				30.70
1998	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	1.43	158,158.97	1.43	158,158.97				58.95
1999	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	5.66	169,903.81	5.66	169,903.81				43.37
2000	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	7.15	178,367.69	7.15	178,367.69				20.33
2001	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	111.47	186,967.88	111.47	186,967.88				42.58
2002	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	451.50	130,439.46	451.50	130,439.46				88.77
2003	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	1,962.93	135,768.25	1,962.93	135,768.25				540.79
2004	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	5,437.06	140,298.36	5,437.06	140,298.36				2,414.41
2005	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	147,269.24	147,269.24	147,269.24	147,269.24				7,612.01
2005	SCH. DIST. # 1 IN - SCH. DIST. OPERATIONAL	155,247.77	1,551,411.23	155,247.77	1,551,411.23				10,872.54
1994	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	0.00	(45.66)	0.00	(45.66)				45.66
1996	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	33.99	1,738,508.82	33.99	1,738,508.82				219.48
1997	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	50.69	1,727,920.73	50.69	1,727,920.73				345.22
1998	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	106.70	1,806,615.92	106.70	1,806,615.92				662.41
1999	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	174.77	1,567,800.92	174.77	1,567,800.92				521.08
2000	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	173.00	1,605,328.77	173.00	1,605,328.77				296.72
2001	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	1,835.31	1,545,084.89	1,835.31	1,545,084.89				667.16
2002	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	7,990.89	1,101,356.50	7,990.89	1,101,356.50				1,352.90
2003	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	36,841.43	2,430,198.72	36,841.43	2,430,198.72				8,607.64
2004	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	96,399.20	2,365,231.27	96,399.20	2,365,231.27				38,710.75
2005	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	2,217,808.40	2,217,808.40	2,217,808.40	2,217,808.40				119,068.94
2005	SCH. DIST. # 1 IN - SCH. DIST. DEBT SERVICE	2,361,414.38	18,105,809.28	2,361,414.38	18,105,809.28				170,497.96
1994	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	0.00	(16.57)	0.00	(16.57)				16.57
1996	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	2.96	788,279.57	2.96	788,279.57				80.57
1997	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	3.48	796,308.93	3.48	796,308.93				126.99
1998	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	9.79	817,159.47	9.79	817,159.47				243.67
1999	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	38.04	940,331.66	38.04	940,331.66				191.28
2000	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	46.44	975,659.20	46.44	975,659.20				108.35
2001	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	581.48	1,011,374.64	581.48	1,011,374.64				243.20
2002	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	2,585.70	737,351.52	2,585.70	737,351.52				493.50
2003	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	11,840.88	776,906.97	11,840.88	776,906.97				3,136.64
2004	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	30,420.90	778,099.72	30,420.90	778,099.72				14,103.94
2005	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	809,220.04	809,220.04	809,220.04	809,220.04				43,406.25
2005	SCH. DIST. # 1 IN - SCH. DIST. CAP. IMP.	854,749.71	8,430,675.15	854,749.71	8,430,675.15				62,150.96

The accompanying notes are an integral part of these financial statements

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1984	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	0.00	(0.64)	0.00	(0.64)				0.64
1995	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	0.00	(0.41)	0.00	(0.41)				0.41
1996	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	0.00	(124.91)	0.00	(124.91)				124.91
1997	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	0.00	(58.84)	0.00	(58.84)				58.84
1998	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	0.14	(60.28)	0.14	(60.28)				60.28
1999	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	0.00	(336.22)	0.00	(336.22)				336.22
2000	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	0.00	(99.33)	0.00	(99.33)				99.33
2001	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	13.58	(95.00)	13.58	(95.00)				95.00
2002	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	59,792.51	59,527.51	116.82	59,527.51				285.00
2003	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	59,944.78	59,594.67	611.42	59,594.67				350.11
2004	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	62,637.74	61,861.40	1,404.96	61,861.40				776.34
2005	SCH. DIST. # 1 OUT - SCH. DIST. OPERATIONAL	69,101.27	67,033.66	67,033.66	67,033.66				2,067.61
		251,476.30	247,241.61	69,180.58	247,241.61				4,234.69
1994	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	0.00	(12.42)	0.00	(12.42)				12.42
1995	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	0.00	(7.98)	0.00	(7.98)				7.98
1996	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	150.18	(1,360.88)	150.18	(1,360.88)				1,360.88
1997	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	82.49	(645.53)	82.49	(645.53)				645.53
1998	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	96.27	(659.04)	96.27	(659.04)				659.04
1999	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	418.13	(3,678.86)	418.13	(3,678.86)				3,678.86
2000	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	130.67	(1,148.91)	130.67	(1,148.91)				1,148.91
2001	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	327.69	(1,145.95)	327.69	(1,145.95)				1,145.95
2002	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	426,216.73	2,391.18	2,391.18	423,157.52				3,059.21
2003	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	923,665.64	10,152.30	10,152.30	919,222.22				4,443.42
2004	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	913,501.13	23,843.33	23,843.33	902,585.59				10,915.54
2005	SCH. DIST. # 1 OUT - SCH. DIST. DEBT SERVICE	901,837.02	872,128.38	872,128.38	872,128.38				29,708.64
		3,165,220.52	909,720.62	909,720.62	3,108,434.14				56,786.38
1994	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	0.00	(4.51)	0.00	(4.51)				4.51
1995	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	0.00	(2.89)	0.00	(2.89)				2.89
1996	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	0.00	(501.10)	0.00	(501.10)				501.10
1997	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	2.27	(237.64)	2.27	(237.64)				237.64
1998	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	6.27	(242.64)	6.27	(242.64)				242.64
1999	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	0.00	(1,354.43)	0.00	(1,354.43)				1,354.43
2000	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	0.00	(422.24)	0.00	(422.24)				422.24
2001	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	0.00	(420.62)	65.01	(420.62)				420.62
2002	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	285,190.18	671.76	671.76	284,065.80				1,124.38
2003	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	295,431.19	3,181.38	3,181.38	293,802.65				1,628.54
2004	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	301,038.43	7,464.96	7,464.96	297,048.85				3,989.58
2005	SCH. DIST. # 1 OUT - SCH. DIST. CAP. IMP.	330,271.53	319,419.14	319,419.14	319,419.14				10,852.39
		1,211,931.33	330,810.79	330,810.79	1,191,150.37				20,780.96
1996	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	3,552.96	3,528.49	0.32	3,528.49				24.47
1997	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	3,539.50	3,517.53	0.29	3,517.53				21.97
1998	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	4,003.11	3,632.93	0.37	3,632.93				28.01
1999	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	3,989.26	3,980.14	0.30	3,980.14				22.97
2000	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	3,601.76	3,980.56	0.23	3,980.56				17.70
2001	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	3,225.84	3,596.86	0.07	3,596.86				4.90
2002	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	3,189.26	3,188.72	0.71	3,219.80				6.04
2003	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	3,833.18	3,831.77	0.68	3,186.72				0.54
2004	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	3,497.34	3,351.89	0.68	3,831.77				1.41
2005	SCH. DIST. # 14 - SCH. DIST. OPERATIONAL	36,102.15	35,828.69	3,355.54	3,351.89				145.45
			35,828.69	3,355.54	35,828.69				273.46

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State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	39 01	20,292.10	39.01	20,292.10				40.38
1997	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	35 02	15,681.74	35.02	15,681.74				36.25
1998	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	44 66	17,743.22	44.66	17,743.22				46.22
1999	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	36 62	19,081.66	36.62	19,081.66				37.90
2000	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	28 22	14,893.24	28.22	14,893.24				29.20
2001	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	7 81	16,245.26	7.81	16,245.26				8.09
2002	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	11 64	2,297.91	11.64	2,297.91				9.97
2003	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	3 01	5,476.84	3.01	5,476.84				0.88
2004	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	4 38	12,554.59	4.38	12,554.59				2.32
2005	SCH. DIST. # 14 - SCH. DIST. DEBT SERVICE	5,667.81	5,667.81	5,667.81	5,667.81				244.74
		130,390.32	129,934.37	5,878.18	129,934.37				455.95
1996	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	1 30	14,363.34	1.30	14,363.34				97.88
1997	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	1 17	14,292.71	1.17	14,292.71				87.87
1998	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	1 48	14,938.24	1.48	14,938.24				112.05
1999	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	1 21	16,305.68	1.21	16,305.68				91.86
2000	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	0 94	16,300.50	0.94	16,300.50				70.79
2001	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	0 26	14,742.74	0.26	14,742.74				19.61
2002	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	2 83	13,201.59	2.83	13,201.59				24.16
2003	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	2 72	13,071.19	2.72	13,071.19				2.14
2004	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	2 74	15,672.11	2.74	15,672.11				5.63
2005	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV.	13,736.65	13,736.65	13,736.65	13,736.65				593.18
		147,729.94	146,624.75	13,751.30	146,624.75				1,105.19
1996	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	0 00	15,616.24	0.00	15,616.24				204.33
1997	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	0 00	20,601.09	0.00	20,601.09				183.44
1998	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	0 00	22,100.73	0.00	22,100.73				233.90
1999	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	0 00	21,682.54	0.00	21,682.54				191.80
2000	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	0 00	25,858.02	0.00	25,858.02				147.78
2001	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	0 00	20,611.60	0.00	20,611.60				40.93
2002	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	0 00	18,642.01	0.00	18,642.01				50.44
2003	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	3 80	27,201.15	3.80	27,201.15				4.47
2004	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	2 47	26,647.18	2.47	26,647.18				11.76
2005	SCH. DIST. # 14 - SCH. DIST. CAP. IMPROV. - HB33	28,682.61	28,682.61	28,682.61	28,682.61				1,238.51
		229,950.53	227,643.17	28,688.88	227,643.17				2,307.36
1996	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	0 00	1,655.16	0.00	1,655.16				0.00
1997	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	0 00	1,719.09	0.00	1,719.09				0.00
1998	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	0 00	1,835.95	0.00	1,835.95				0.00
1999	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	0 02	1,968.28	0.02	1,968.28				0.41
2000	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	0 02	2,335.28	0.02	2,335.28				0.41
2001	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	8 58	2,537.91	8.58	2,537.91				1.10
2002	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	36 03	2,253.69	36.03	2,253.69				59.81
2003	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	66 77	2,324.62	66.77	2,324.62				80.39
2004	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	169 99	2,297.56	169.99	2,297.56				230.36
2005	SCH. DIST. # 20 IN - MUNICIPAL OPERATIONAL	2,108.21	2,108.21	2,108.21	2,108.21				372.68
		21,408.43	21,035.75	2,389.62	21,035.75				0.00
1996	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	0 00	3,617.04	0.00	3,617.04				0.00
1997	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	0 00	3,616.97	0.00	3,616.97				0.00
1998	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	0 00	3,841.63	0.00	3,841.63				0.00
1999	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	0 01	3,876.81	0.01	3,876.81				0.09
2000	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	0 01	4,083.39	0.01	4,083.39				0.04
2001	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	1 58	4,336.25	1.58	4,336.25				0.19
2002	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	6 21	4,283.34	6.21	4,283.34				9.67
2003	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	11 86	4,387.71	11.86	4,387.71				13.12
2004	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	29 24	4,328.28	29.24	4,328.28				37.99
2005	SCH. DIST. # 20 IN - SCH. DIST. OPERATIONAL	392 56	4,305.55	392.56	4,305.55				61.19
		25,125.17	25,063.98	441.47	25,063.98				

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State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	45,008.88	45,008.88	0.00	45,008.88	0.00	45,008.88	0.00	0.00
1998	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	67,318.19	67,318.19	0.00	67,318.19	0.00	67,318.19	0.00	0.00
1999	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	55,674.57	55,674.57	0.00	55,674.57	0.00	55,674.57	0.00	0.99
2000	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	51,637.42	51,637.42	0.00	51,637.42	0.00	51,637.42	0.00	1.00
2001	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	33,862.67	33,862.67	17.13	33,862.67	17.13	33,862.67	0.00	0.49
2002	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	4,390.43	4,387.75	71.80	4,387.75	71.80	4,387.75	0.00	2.68
2003	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	7,356.21	7,210.19	107.89	7,210.19	107.89	7,210.19	0.00	146.02
2004	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	4,769.81	4,573.55	305.96	4,573.55	305.96	4,573.55	0.00	196.26
2005	SCH. DIST. # 20 IN - SCH. DIST. DEBT SERVICE	5,709.29	5,146.91	5,146.91	5,146.91	5,146.91	5,146.91	0.00	562.38
		275,729.47	274,819.65	5,649.69	274,819.65	5,649.69	274,819.65	0.00	909.82
1996	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	15,531.22	15,531.22	0.00	15,531.22	0.00	15,531.22	0.00	0.00
1997	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	15,419.28	15,419.28	0.00	15,419.28	0.00	15,419.28	0.00	0.00
1998	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	16,299.80	16,299.80	0.00	16,299.80	0.00	16,299.80	0.00	0.00
1999	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	16,467.19	16,466.82	0.02	16,466.82	0.02	16,466.82	0.00	0.37
2000	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	17,337.05	17,336.68	0.02	17,336.68	0.02	17,336.68	0.00	0.37
2001	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	0.00	7.71	7.71	7.71	(0.18)	7.71	0.18	0.16
2002	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	2,112.81	2,111.85	32.42	2,111.85	32.42	2,111.85	0.00	0.96
2003	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	2,190.52	2,138.23	61.49	2,138.23	61.49	2,138.23	0.00	52.29
2004	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	2,137.49	2,067.16	154.73	2,067.16	154.73	2,067.16	0.00	70.33
2005	SCH. DIST. # 20 IN - SCH. DIST. CAP. IMPROV.	2,065.05	1,863.36	1,863.36	1,863.36	1,863.36	1,863.36	0.00	201.69
		89,560.41	89,234.22	2,119.75	89,234.22	2,119.75	89,234.22	0.00	326.19
1996	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	0.16	(1.88)	0.16	(1.88)	0.16	(1.88)	1.88	1.88
1998	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	0.16	(1.98)	0.16	(1.98)	0.16	(1.98)	1.98	1.98
1999	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	0.00	(1.76)	0.16	(1.76)	0.16	(1.76)	1.76	1.76
2000	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	0.00	(1.81)	0.15	(1.81)	0.15	(1.81)	1.81	1.81
2001	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	0.00	(1.86)	1.94	(1.86)	1.94	(1.86)	1.86	1.86
2002	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	4,403.60	4,401.54	2.60	4,401.54	2.60	4,401.54	0.00	2.06
2003	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	4,331.37	4,324.63	12.14	4,324.63	12.14	4,324.63	0.00	6.74
2004	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	4,545.98	4,519.53	40.76	4,519.53	40.76	4,519.53	0.00	26.45
2005	SCH. DIST. # 20 OUT - SCH. DIST. OPERATIONAL	5,228.85	4,531.31	4,531.31	4,531.31	4,531.31	4,531.31	0.00	698.54
		18,510.80	17,767.72	4,589.40	17,767.72	4,589.40	17,767.72	0.00	743.08
1996	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	0.00	(28.42)	0.00	(28.42)	0.00	(28.42)	28.42	28.42
1998	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	0.00	(30.01)	0.00	(30.01)	0.00	(30.01)	30.01	30.01
1999	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	0.00	(26.70)	0.00	(26.70)	0.00	(26.70)	26.70	26.70
2000	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	0.00	(26.08)	0.00	(26.08)	0.00	(26.08)	26.08	26.08
2001	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	0.00	(24.60)	12.80	(24.60)	12.80	(24.60)	24.60	24.60
2002	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	37,661.27	37,633.97	18.24	37,633.97	18.24	37,633.97	0.00	27.30
2003	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	60,760.67	60,679.89	94.27	60,679.89	94.27	60,679.89	0.00	80.78
2004	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	41,672.05	41,350.10	356.55	41,350.10	356.55	41,350.10	0.00	321.95
2005	SCH. DIST. # 20 OUT - SCH. DIST. DEBT SERVICE	58,403.46	50,592.83	50,592.83	50,592.83	50,592.83	50,592.83	0.00	7,810.63
		198,497.45	190,120.98	51,074.69	190,120.98	51,074.69	190,120.98	0.00	8,376.47
1996	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	0.89	(10.18)	0.89	(10.18)	0.89	(10.18)	10.18	10.18
1998	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	0.95	(10.74)	0.95	(10.74)	0.95	(10.74)	10.74	10.74
1999	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	0.00	(9.56)	0.84	(9.56)	0.84	(9.56)	9.56	9.56
2000	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	0.00	(9.37)	0.79	(9.37)	0.79	(9.37)	9.37	9.37
2001	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	0.00	(8.90)	7.86	(8.90)	7.86	(8.90)	8.90	8.90
2002	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	18,123.81	18,113.93	10.53	18,113.93	10.53	18,113.93	0.00	9.88
2003	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	17,866.69	17,837.22	48.98	17,837.22	48.98	17,837.22	0.00	29.47
2004	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	18,674.45	18,576.16	186.76	18,576.16	186.76	18,576.16	0.00	117.29
2005	SCH. DIST. # 20 OUT - SCH. DIST. CAP. IMPROV.	21,446.52	18,578.69	18,578.69	18,578.69	18,578.69	18,578.69	0.00	2,867.83
		76,111.47	73,038.25	18,836.29	73,038.25	18,836.29	73,038.25	0.00	3,073.22

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

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	AGENCY	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	575.95	0.00	575.95	0.00	575.95	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	555.60	0.00	555.60	0.00	555.60	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	566.22	0.00	566.22	0.00	566.22	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	560.80	0.00	560.80	0.00	560.80	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	547.67	0.00	547.67	0.00	547.67	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	526.81	0.39	526.81	0.39	526.81	0.40	0.40	0.00	0.00
2002	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	575.53	0.40	575.53	0.40	575.53	0.35	0.35	0.00	0.00
2003	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	704.72	0.33	704.72	0.33	704.72	0.33	0.33	0.00	0.00
2004	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	994.77	876.35	994.77	876.35	994.77	876.35	876.35	0.00	5.87
2005	SCH. DIST. # 27 - SCH. DIST. OPERATIONAL	882.22	877.82	882.22	877.82	882.22	877.82	877.82	0.00	5.87
		6,490.29	877.82	6,484.42	877.82	6,484.42	877.82	6,484.42	0.00	0.00
1996	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	7,024.29	3.77	7,024.29	3.77	7,024.29	3.88	3.88	0.00	0.00
2002	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	9,267.05	3.88	9,267.05	3.88	9,267.05	3.36	3.36	0.00	0.00
2003	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	8,432.32	3.36	8,432.32	3.36	8,432.32	3.24	3.24	0.00	0.00
2004	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	10,000.62	3.24	10,000.62	3.24	10,000.62	3.24	3.24	0.00	48.90
2005	SCH. DIST. # 27 - SCH. DIST. DEBT SERVICE	7,621.63	7,572.73	7,572.73	7,572.73	7,572.73	7,572.73	7,572.73	0.00	48.90
		42,345.91	7,586.98	42,297.01	7,586.98	42,297.01	7,586.98	42,297.01	0.00	0.00
1996	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	2,361.31	0.00	2,361.31	0.00	2,361.31	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	2,280.34	0.00	2,280.34	0.00	2,280.34	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	2,321.54	0.00	2,321.54	0.00	2,321.54	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	2,296.36	0.00	2,296.36	0.00	2,296.36	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	2,244.47	0.00	2,244.47	0.00	2,244.47	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	2,158.33	1.55	2,158.33	1.55	2,158.33	1.55	1.55	0.00	0.00
2002	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	2,354.13	1.60	2,354.13	1.60	2,354.13	1.38	1.38	0.00	0.00
2003	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	2,965.03	1.38	2,965.03	1.38	2,965.03	1.33	1.33	0.00	0.00
2004	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	4,118.87	1.33	4,118.87	1.33	4,118.87	1.33	1.33	0.00	23.47
2005	SCH. DIST. # 27 - SCH. DIST. CAP. IMPROV.	3,658.96	3,635.49	3,635.49	3,635.49	3,635.49	3,635.49	3,635.49	0.00	23.47
		26,759.34	3,641.35	26,735.87	3,641.35	26,735.87	3,641.35	26,735.87	0.00	0.00
1996	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	251.89	0.00	251.89	0.00	251.89	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	279.17	0.00	279.17	0.00	279.17	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	290.39	0.00	290.39	0.00	290.39	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	319.53	0.00	319.53	0.00	319.53	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	305.53	0.00	305.53	0.00	305.53	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	333.37	0.00	333.37	0.00	333.37	0.00	0.00	0.00	0.00
2002	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	328.67	0.00	328.67	0.00	328.67	0.00	0.00	0.00	0.00
2003	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	515.46	2.36	514.61	2.36	514.61	2.36	2.36	0.00	0.85
2004	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	638.29	4.98	630.33	4.98	630.33	4.58	4.58	0.00	0.82
2005	SCH. DIST. # 28 - SCH. DIST. OPERATIONAL	3,844.95	637.27	3,835.32	637.27	3,835.32	637.27	637.27	0.00	9.63
		26,759.34	637.27	26,735.87	637.27	26,735.87	637.27	637.27	0.00	0.00
1996	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	4,584.93	0.00	4,584.93	0.00	4,584.93	0.00	0.00	0.00	0.00
2002	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	5,460.44	0.00	5,460.44	0.00	5,460.44	0.00	0.00	0.00	0.00
2003	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	6,217.83	24.03	6,210.71	24.03	6,210.71	24.03	24.03	0.00	7.12
2004	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	6,004.17	51.08	5,997.30	51.08	5,997.30	51.08	51.08	0.00	6.87
2005	SCH. DIST. # 28 - SCH. DIST. DEBT SERVICE	5,524.57	5,524.57	5,524.57	5,524.57	5,524.57	5,524.57	5,524.57	0.00	66.30
		27,858.24	5,599.68	27,777.95	5,599.68	27,777.95	5,599.68	27,777.95	0.00	80.29

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

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	AGENCY	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	1,093.38	0.00	1,093.38	0.00	1,093.38	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	1,203.12	0.00	1,203.12	0.00	1,203.12	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	1,357.46	0.00	1,357.46	0.00	1,357.46	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	1,299.49	0.00	1,299.49	0.00	1,299.49	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	1,408.80	0.00	1,408.80	0.00	1,408.80	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	1,387.13	0.00	1,387.13	0.00	1,387.13	0.00	0.00	0.00	0.00
2002	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	2,185.03	9.41	2,185.03	9.41	2,185.03	0.00	0.00	3.42	3.42
2003	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	2,469.58	20.57	2,469.58	20.57	2,469.58	0.00	0.00	3.30	3.30
2004	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	2,684.05	2,682.22	2,682.22	2,682.22	2,682.22	0.00	0.00	31.83	31.83
2005	SCH. DIST. # 28 - SCH. DIST. CAP. IMPROV.	15,094.76	2,682.20	15,056.21	2,682.20	15,056.21	0.00	0.00	38.55	38.55
1996	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	4,858.78	0.00	4,858.78	0.00	4,858.78	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	4,648.42	0.00	4,648.42	0.00	4,648.42	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	4,876.96	0.00	4,876.96	0.00	4,876.96	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	5,120.20	0.00	5,120.20	0.00	5,120.20	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	5,447.82	0.00	5,447.82	0.00	5,447.82	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	5,661.81	11.68	5,661.81	11.68	5,661.81	0.00	0.00	8.35	8.35
2002	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	5,786.32	75.62	5,777.97	75.62	5,777.97	0.00	0.00	93.19	93.19
2003	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	6,037.86	210.22	5,944.67	210.22	5,944.67	0.00	0.00	197.09	197.09
2004	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	6,554.37	502.72	6,357.28	502.72	6,357.28	0.00	0.00	854.85	854.85
2005	SCH. DIST. # 6 IN - MUNICIPAL OPERATIONAL	55,863.70	6,016.31	6,016.31	6,016.31	6,016.31	0.00	0.00	1,153.48	1,153.48
1996	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	4,711.70	0.00	4,711.70	0.00	4,711.70	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	4,988.72	0.00	4,988.72	0.00	4,988.72	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	5,139.14	0.00	5,139.14	0.00	5,139.14	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	5,302.36	0.00	5,302.36	0.00	5,302.36	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	5,861.24	0.00	5,861.24	0.00	5,861.24	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	6,435.13	2.15	6,435.13	2.15	6,435.13	0.00	0.00	1.53	1.53
2002	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	1,111.66	14.64	1,110.13	14.64	1,110.13	0.00	0.00	18.11	18.11
2003	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	1,167.10	39.89	1,148.99	39.89	1,148.99	0.00	0.00	37.61	37.61
2004	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	1,266.18	92.52	1,228.57	92.52	1,228.57	0.00	0.00	158.58	158.58
2005	SCH. DIST. # 6 IN - SCH. DIST. OPERATIONAL	37,307.89	1,315.28	37,092.06	1,315.28	37,092.06	0.00	0.00	215.83	215.83
1996	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	55,135.30	0.00	55,135.30	0.00	55,135.30	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	104,509.14	0.00	104,509.14	0.00	104,509.14	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	113,223.49	0.00	113,223.49	0.00	113,223.49	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	117,933.33	0.00	117,933.33	0.00	117,933.33	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	122,330.56	0.00	122,330.56	0.00	122,330.56	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	91,459.20	48.27	91,459.20	48.27	91,459.20	0.00	0.00	34.69	34.69
2002	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	21,841.46	300.62	21,806.77	300.62	21,806.77	0.00	0.00	368.21	368.21
2003	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	27,593.63	850.46	27,225.42	850.46	27,225.42	0.00	0.00	791.33	791.33
2004	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	26,109.57	2,078.56	25,318.24	2,078.56	25,318.24	0.00	0.00	3,514.42	3,514.42
2005	SCH. DIST. # 6 IN - SCH. DIST. DEBT SERVICE	707,477.00	27,104.81	702,768.35	27,104.81	702,768.35	0.00	0.00	4,708.65	4,708.65
1996	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	23,065.70	0.00	23,065.70	0.00	23,065.70	0.00	0.00	0.00	0.00
1997	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	23,216.50	0.00	23,216.50	0.00	23,216.50	0.00	0.00	0.00	0.00
1998	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	1,246.09	0.00	1,246.09	0.00	1,246.09	0.00	0.00	0.00	0.00
1999	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	24,605.33	0.00	24,605.33	0.00	24,605.33	0.00	0.00	0.00	0.00
2000	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	27,094.25	0.00	27,094.25	0.00	27,094.25	0.00	0.00	0.00	0.00
2001	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	29,351.48	12.57	29,351.48	12.57	29,351.48	0.00	0.00	9.05	9.05
2002	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	6,263.68	78.29	6,254.63	78.29	6,254.63	0.00	0.00	96.32	96.32
2003	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	6,504.85	221.12	6,408.53	221.12	6,408.53	0.00	0.00	206.79	206.79
2004	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	6,801.13	540.77	6,594.34	540.77	6,594.34	0.00	0.00	917.02	917.02
2005	SCH. DIST. # 6 IN - SCH. DIST. CAP. IMPROV.	155,297.76	7,084.48	154,068.58	7,084.48	154,068.58	0.00	0.00	1,229.18	1,229.18

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

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	AGENCY	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL		0.43	(0.78)	0.43	(0.78)				0.78
1997	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL		0.02	(2.48)	0.02	(2.48)				2.48
1998	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL	5,302.36	0.02	(2.97)	0.02	(2.97)				2.97
1999	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL	0.00	0.06	5,299.07	0.06	5,299.07				3.29
2000	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL	0.00	0.02	(3.14)	0.02	(3.14)				3.14
2001	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL	6,046.03	4.67	(6.55)	4.67	(6.55)				6.55
2002	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL	6,777.87	12.82	6,045.21	12.82	6,045.21				0.82
2003	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL	7,408.18	88.93	6,764.30	88.93	6,764.30				13.57
2004	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL	6,348.43	182.34	7,364.29	182.34	7,364.29				43.89
2005	SCH. DIST. # 6 OUT - SCH. DIST. OPERATIONAL	33,882.87	7,827.13	7,827.13	7,827.13	7,827.13				521.30
			8,116.44	33,284.08	8,116.44	33,284.08				598.79
1996	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE		10.50	(11.80)	10.50	(11.80)				11.80
1997	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE		0.73	(50.51)	0.73	(50.51)				50.51
1998	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE		0.89	(54.66)	0.89	(54.66)				54.66
1999	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE		1.82	(54.38)	1.82	(54.38)				54.38
2000	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE	0.00	0.95	(55.65)	0.95	(55.65)				55.65
2001	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE		82.22	(106.89)	82.22	(106.89)				106.89
2002	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE	90,772.05	244.28	90,753.91	244.28	90,753.91				18.14
2003	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE	126,433.43	1,564.22	126,174.78	1,564.22	126,174.78				258.65
2004	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE	121,502.15	3,484.49	120,683.26	3,484.49	120,683.26				818.89
2005	SCH. DIST. # 6 OUT - SCH. DIST. DEBT SERVICE	473,310.18	131,111.68	462,999.64	131,111.68	462,999.64				8,880.97
			34,549.52	144,065.67	34,549.52	144,065.67				10,310.54
1996	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.		2.69	(3.12)	2.69	(3.12)				3.12
1997	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.		0.14	(13.21)	0.14	(13.21)				13.21
1998	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.	23,806.45	0.13	23,792.11	0.13	23,792.11				14.34
1999	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.		0.32	(14.32)	0.32	(14.32)				14.32
2000	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.		0.12	(14.62)	0.12	(14.62)				14.62
2001	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.		21.09	(28.17)	21.09	(28.17)				28.17
2002	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.	26,031.56	63.62	26,026.82	63.62	26,026.82				4.74
2003	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.	29,805.14	407.04	29,737.35	407.04	29,737.35				67.79
2004	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.	31,649.42	906.18	31,434.64	906.18	31,434.64				214.78
2005	SCH. DIST. # 6 OUT - SCH. DIST. CAP. IMPROV.	35,484.74	33,148.19	33,148.19	33,148.19	33,148.19				2,336.55
		145,777.31	34,549.52	144,065.67	34,549.52	144,065.67				2,711.64
1995	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL		0.00	(0.37)	0.00	(0.37)				0.37
1996	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	5,170.65	0.08	5,168.63	0.08	5,168.63				2.02
1997	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	4,902.88	0.00	4,902.88	0.00	4,902.88				0.00
1998	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	5,026.05	0.00	5,026.05	0.00	5,026.05				0.00
1999	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	5,375.80	0.00	5,375.80	0.00	5,375.80				0.00
2000	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	5,806.41	0.00	5,806.41	0.00	5,806.41				0.00
2001	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	6,804.28	0.64	6,788.14	0.64	6,788.14				16.14
2002	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	7,223.16	39.41	7,206.20	39.41	7,206.20				16.96
2003	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	7,429.89	256.62	7,390.77	256.62	7,390.77				39.12
2004	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	8,057.21	231.52	7,784.84	231.52	7,784.84				272.37
2005	SCH. DIST. # 8 IN - MUNICIPAL OPERATIONAL	8,563.63	7,965.43	7,965.43	7,965.43	7,965.43				598.20
		64,359.96	8,493.70	63,414.78	8,493.70	63,414.78				945.18
1995	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL		0.00	(0.07)	0.00	(0.07)				0.07
1996	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	8,249.67	0.01	8,249.31	0.01	8,249.31				0.36
1997	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	8,495.35	0.00	8,495.35	0.00	8,495.35				0.00
1998	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	9,942.51	0.00	9,942.51	0.00	9,942.51				0.00
1999	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	9,694.25	0.00	9,694.25	0.00	9,694.25				0.00
2000	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	11,417.91	0.00	11,417.91	0.00	11,417.91				0.00
2001	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	13,764.86	0.07	13,762.01	0.07	13,762.01				2.85
2002	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	1,360.03	6.81	1,357.03	6.81	1,357.03				3.00
2003	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	1,394.85	49.24	1,387.74	49.24	1,387.74				7.11
2004	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	1,530.52	41.33	1,477.62	41.33	1,477.62				52.90
2005	SCH. DIST. # 8 IN - SCH. DIST. OPERATIONAL	1,643.18	1,531.23	1,531.23	1,531.23	1,531.23				111.95
		66,493.13	1,628.69	66,314.89	1,628.69	66,314.89				178.24

The accompanying notes are an integral part of these financial statements

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1995			(2.65)	0.00	(2.65)				2.65
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	234,262.70	0.00	234,248.44	0.00	234,248.44			14.26	14.26
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	201,331.94	0.00	201,331.94	0.00	201,331.94			0.00	0.00
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	256,499.20	0.00	256,499.20	0.00	256,499.20			0.00	0.00
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	271,265.12	0.00	271,265.12	0.00	271,265.12			0.00	0.00
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	274,764.99	0.00	274,764.99	0.00	274,764.99			0.00	0.00
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	358,584.17	0.00	358,470.10	0.00	358,470.10			114.07	114.07
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	46,270.18	240.94	46,150.33	240.94	46,150.33			119.85	119.85
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	32,057.86	1,276.21	31,798.02	1,276.21	31,798.02			259.84	259.84
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	42,200.12	1,240.88	40,693.58	1,240.88	40,693.58			1,506.54	1,506.54
SCH. DIST. # 8 IN - SCH. DIST. DEBT SERVICE	49,145.14	45,462.71	45,462.71	45,462.71	45,462.71			3,682.43	3,682.43
	1,766,381.42	48,220.74	1,760,681.78	48,220.74	1,760,681.78			5,699.64	5,699.64
1995			(0.59)	0.00	(0.59)				0.59
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	51,073.35	0.07	51,070.18	0.07	51,070.18			3.17	3.17
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	50,726.11	0.00	50,726.11	0.00	50,726.11			0.00	0.00
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	52,054.64	0.00	52,054.64	0.00	52,054.64			0.00	0.00
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	55,236.23	0.00	55,236.23	0.00	55,236.23			0.00	0.00
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	63,207.96	0.00	63,207.96	0.00	63,207.96			0.00	0.00
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	73,752.39	0.63	73,727.06	0.63	73,727.06			25.33	25.33
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	9,448.68	60.58	9,422.06	60.58	9,422.06			26.62	26.62
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	313.43	313.43	9,586.28	313.43	9,586.28			57.82	57.82
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	10,199.42	326.58	9,861.97	326.58	9,861.97			337.45	337.45
SCH. DIST. # 8 IN - SCH. DIST. CAP IMPROV.	10,992.37	10,170.84	10,170.84	10,170.84	10,170.84			821.53	821.53
	386,335.25	10,872.13	385,062.74	10,872.13	385,062.74			1,272.51	1,272.51
1995			(0.39)	0.00	(0.39)				0.39
SCH. DIST. # 8 IN - 80.64	0.82	0.82	(2.10)	0.82	(2.10)			2.10	2.10
SCH. DIST. # 8 IN - 80.64	0.00	0.00	0.00	0.00	0.00			0.00	0.00
SCH. DIST. # 8 IN - 80.64	0.00	0.00	0.00	0.00	0.00			0.00	0.00
SCH. DIST. # 8 IN - 80.64	0.00	0.00	0.00	0.00	0.00			0.00	0.00
SCH. DIST. # 8 IN - 80.64	0.00	0.00	0.00	0.00	0.00			0.00	0.00
SCH. DIST. # 8 IN - 80.64	6.49	6.49	(16.83)	6.49	(16.83)			16.83	16.83
SCH. DIST. # 8 IN - SCH. DIST. EDUC. TECH. DBT. SEV.	60.67	60.67	(17.68)	60.67	(17.68)			17.68	17.68
SCH. DIST. # 8 IN - SCH. DIST. EDUC. TECH. DBT. SEV.	295.23	295.23	13,424.31	295.23	13,424.31			38.34	38.34
SCH. DIST. # 8 IN - SCH. DIST. EDUC. TECH. DBT. SEV.	9,164.18	374.33	8,941.88	374.33	8,941.88			222.30	222.30
SCH. DIST. # 8 IN - SCH. DIST. EDUC. TECH. DBT. SEV.	7,251.55	6,708.19	6,708.19	6,708.19	6,708.19			543.36	543.36
	29,878.38	7,445.73	29,037.38	7,445.73	29,037.38			841.00	841.00
1996			(1.63)	4.32	(1.63)				1.63
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	1.91	1.91	(4.42)	1.91	(4.42)			4.42	4.42
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	2.44	2.44	(27.54)	2.44	(27.54)			27.54	27.54
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	0.00	0.00	(12.89)	2.40	(12.89)			12.89	12.89
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	1.21	1.21	(17.04)	1.21	(17.04)			17.04	17.04
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	2.92	2.92	(3.97)	2.92	(3.97)			3.97	3.97
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	18.49	18.49	13,469.90	18.49	13,469.90			4.40	4.40
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	14,242.14	87.24	14,213.96	87.24	14,213.96			28.18	28.18
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	13,752.30	569.94	13,658.33	569.94	13,658.33			93.97	93.97
SCH. DIST. # 8 OUT - SCH. DIST. OPERATIONAL	18,293.02	17,997.82	17,997.82	17,997.82	17,997.82			295.20	295.20
	59,761.76	18,688.69	59,272.52	18,688.69	59,272.52			489.24	489.24
1996			(65.09)	119.48	(65.09)				65.09
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	21.81	21.81	(176.68)	21.81	(176.68)			176.68	176.68
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	7.99	7.99	(613.47)	7.99	(613.47)			613.47	613.47
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	21.92	21.92	(336.49)	21.92	(336.49)			336.49	336.49
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	0.00	0.00	(431.51)	0.00	(431.51)			431.51	431.51
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	61.50	61.50	(158.75)	61.50	(158.75)			158.75	158.75
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	488.38	488.38	327,918.97	488.38	327,918.97			159.60	159.60
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	235,800.44	2,199.43	234,833.94	2,199.43	234,833.94			966.50	966.50
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	279,425.83	12,164.56	276,702.00	12,164.56	276,702.00			2,723.83	2,723.83
SCH. DIST. # 8 OUT - SCH. DIST. DEBT SERVICE	383,636.37	374,789.80	374,789.80	374,789.80	374,789.80			8,846.57	8,846.57
	1,226,941.21	389,874.87	1,212,462.72	389,874.87	1,212,462.72			14,478.49	14,478.49

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

State of New Mexico
Chaves County
Property Tax Schedule
For the Year Ended June 30, 2006

TAX YEAR	PROPERTY TAXES LEVIED	COLLECTED IN CURRENT YEAR	COLLECTED TO DATE	DISTRIBUTED IN CURRENT YEAR	DISTRIBUTED TO DATE	CURRENT AMOUNT UNCOLLECTIBLE	TO DATE AMOUNT UNCOLLECTIBLE	UNDISTRIBUTED AT YEAR END	COUNTY RECEIVABLE AT YEAR END
1996	30.15	30.15	(14.46)	30.15	(14.46)				14.46
1997	8.73	8.73	(39.24)	8.73	(39.24)				39.24
1998	11.65	11.65	(138.55)	11.65	(138.55)				138.55
1999	11.05	11.05	(75.58)	11.05	(75.58)				75.58
2000	6.15	6.15	(97.02)	6.15	(97.02)				97.02
2001	17.98	17.98	(35.25)	17.98	(35.25)				35.25
2002	66,995.82	121.09	66,960.30	121.09	66,960.30				215.39
2003	70,565.62	549.79	70,350.23	549.79	70,350.23				609.80
2004	67,534.94	2,988.61	66,925.14	2,988.61	66,925.14				1,978.63
2005	86,849.80	84,871.17	84,871.17	84,871.17	84,871.17				3,235.44
	291,946.18	88,616.37	288,706.74	88,616.37	288,706.74				
1996	30.48	30.48	(9.60)	30.48	(9.60)				9.60
1997	17.03	17.03	(26.07)	17.03	(26.07)				26.07
1998	44.43	44.43	(90.52)	44.43	(90.52)				90.52
1999	28.18	28.18	(49.65)	28.18	(49.65)				49.65
2000	29.03	29.03	(63.67)	29.03	(63.67)				63.67
2001	24.41	24.41	(23.42)	24.41	(23.42)				23.42
2002	117.16	117.16	(23.55)	117.16	(23.55)				23.55
2003	544.90	544.90	98,881.47	544.90	98,881.47				142.61
2004	2,831.24	2,831.24	60,278.23	2,831.24	60,278.23				401.91
2005	55,301.74	55,301.74	55,301.74	55,301.74	55,301.74				1,305.35
	216,311.31	58,968.60	214,174.96	58,968.60	214,174.96				2,136.35
1996	23.35	0.00	23.35	0.00	23.35				0.00
1997	71.15	0.00	71.15	0.00	71.15				0.00
1998	121.74	0.00	121.74	0.00	121.74				0.00
1999	170.83	0.00	170.83	0.00	170.83				0.00
2000	15.82	0.00	15.82	0.00	15.82				0.00
2001	22.45	0.00	22.45	0.00	22.45				0.00
2002	22.23	0.00	22.23	0.00	22.23				0.00
2003	21.88	0.00	21.88	0.00	21.88				0.00
2004	20.34	0.00	20.34	0.00	20.34				0.00
2005	19.29	19.29	19.29	19.29	19.29				0.00
	509.08	19.29	509.08	19.29	509.08				0.00
1996	365.70	0.00	365.70	0.00	365.70				0.00
1997	621.08	0.00	621.08	0.00	621.08				0.00
1998	1,628.14	0.00	1,628.14	0.00	1,628.14				0.00
1999	2,078.74	0.00	2,078.74	0.00	2,078.74				0.00
2000	180.47	0.00	180.47	0.00	180.47				0.00
2001	148.53	0.00	148.53	0.00	148.53				0.00
2002	200.97	0.00	200.97	0.00	200.97				0.00
2003	218.68	0.00	218.68	0.00	218.68				0.00
2004	233.73	0.00	233.73	0.00	233.73				0.00
2005	134.66	134.66	134.66	134.66	134.66				0.00
	5,810.70	134.66	5,810.70	134.66	5,810.70				0.00
1996	115.84	0.00	115.84	0.00	115.84				0.00
1997	305.67	0.00	305.67	0.00	305.67				0.00
1998	508.30	0.00	508.30	0.00	508.30				0.00
1999	708.50	0.00	708.50	0.00	708.50				0.00
2000	87.40	0.00	87.40	0.00	87.40				0.00
2001	112.65	0.00	112.65	0.00	112.65				0.00
2002	111.28	0.00	111.28	0.00	111.28				0.00
2003	109.67	0.00	109.67	0.00	109.67				0.00
2004	102.56	0.00	102.56	0.00	102.56				0.00
2005	95.62	95.62	95.62	95.62	95.62				0.00
	2,257.49	95.62	2,257.49	95.62	2,257.49				0.00
155,762,364.78	19,882,060.44	154,374,171.41	19,882,060.44	154,374,171.41	19,882,060.44	0.00	0.00	0.00	1,400,479.41

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

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COMPLIANCE SECTION

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MILLER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

400 NORTH PENNSYLVANIA - SUITE 800
POST OFFICE BOX 2504
ROSWELL, NEW MEXICO 88202-2504

RONALD L. MILLER, C.P.A./A.B.V., C.V.A.
LARI E. GALLAGHER, C.P.A.
RYAN L. MILLER, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE 505-622-4667
FAX 505-622-5166
E-MAIL: rmiller@dfn.com

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*

Domingo P. Martinez, CGFM
New Mexico State Auditor
The Office of Management and Budget,
County Manager, County Commissioners and
Citizens of Chaves County
Roswell, New Mexico

We have audited the financial statements of the governmental activities, each major fund, budgetary comparisons and the aggregate remaining fund information of Chaves County, New Mexico, as of and for the year ended June 30, 2006, and have issued our report thereon dated September 12, 2006. We have also audited the financial statements of each of the County's nonmajor governmental funds presented as other supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2006, as listed in the tables of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Chaves County, New Mexico's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chaves County, New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that is required to be reported in accordance with the State Audit Rule, 2006. The immaterial instance of non-compliance is reported in the accompanying schedule of findings as item 2006-1.

This report is intended solely for information and use of the audit committee, management, others within the organization, the Office of the State Auditor, 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.

Miller & Associates, CPA, PC

Miller & Associates, C.P.A, P.C.
September 12, 2006

FEDERAL FINANCIAL ASSISTANCE

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MILLER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

400-NORTH PENNSYLVANIA - SUITE 800
POST OFFICE BOX 2504
ROSWELL, NEW MEXICO 88202-2504

RONALD L. MILLER, C.P.A./A.B.V., C.V.A.
LARI E. GALLAGHER, C.P.A.
RYAN L. MILLER, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TELEPHONE 505-622-4667
FAX 505-622-5166
E-MAIL: rmler@dfn.com

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

Domingo P. Martinez, CGFM
New Mexico State Auditor
The Office of Management and Budget,
County Manager, County Commissioners and
Citizens of Chaves County
Roswell, New Mexico

Compliance

We have audited the compliance of Chaves County, New Mexico, 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, 2006. Chaves County, New Mexico'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 Chaves County, New Mexico's management. Our responsibility is to express an opinion on Chaves County, New Mexico'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 Chaves County, New Mexico'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 Chaves County, New Mexico's compliance with those requirements.

In our opinion, Chaves County, New Mexico, 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, 2006.

Internal Control Over Compliance

The management of Chaves County, New Mexico, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Chaves County, New Mexico'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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Office of the State Auditor, 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.

Miller & Associates, CPA, PC
Miller & Associates, C.P.A, P.C.

Roswell, New Mexico
September 12, 2006

STATE OF NEW MEXICO
 CHAVES COUNTY
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2006

Schedule VII

	Pass-Through Entity Number	Federal CFDA Number	Program or Award Amount	Federal Expenditures
U.S. Department of Justice				
<i>Passed Through City of Roswell:</i>				
Local Law Enforcement Block Grant	2004LBBX0167	16.592	34,793	15,189
<i>Passed Through Children Youth and Families Department:</i>				
Federal JJDP Formula Grant	02-JF-FX-0035	16.501	26,498	26,479
Federal JJDP Formula Grant	03-JF-FX-0035	16.501	25,000	14,594
Juvenile Accountability Block Grant	02-JB-BX-0030	16.523	26,498	26,479
Juvenile Accountability Block Grant	03-JB-BX-0030	16.523	37,500	21,892
Total U.S. Department of Justice			150,289	104,633
<i>U.S. Department of Justice:</i>				
Bureau of Land Management Grants	N/A	15.228	13,300	10,575
<i>U.S. Department of Homeland Security/ Office of Domestic Preparedness:</i>				
FEMA Grant	N/A	97.044	57,692	57,214
<i>Department of Housing and Urban Development:</i>				
Passed Through NM Department of Finance & Administration, Local Government Division				
CDBG - Cumberland Water System	03-C-NR-I-3-G-46	14.228	500,000	500,000
Total Federal Financial Assistance			\$ 721,281	\$ 672,422

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

**STATE OF NEW MEXICO
CHAVES COUNTY
Schedule of Findings and Questioned Costs
June 30, 2006**

Schedule VIII

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Chaves County, New Mexico.
2. No reportable conditions were disclosed during the audit of the financial statements as described below.
3. There were no instances of noncompliance material to the financial statements of Chaves County, New Mexico, disclosed during the audit.
4. There were no reportable conditions disclosed during the audit of internal control over major federal award programs.
5. There were no reportable conditions disclosed during the audit of compliance over major federal award programs
6. The auditor's report on compliance for the major federal award programs for Chaves County, New Mexico, expresses an unqualified opinion.
7. There were no audit findings that were required to be reported in accordance with OMB Circular A-133, Section 510(a).
8. The program tested as major was the Community Development Block Grant CFDA No. 14.228.
9. The threshold for distinguishing Types A and B programs was \$300,000.
10. Chaves County, New Mexico was determined to be a low-risk auditee.

STATE OF NEW MEXICO
CHAVES COUNTY
Schedule of Findings and Questioned Costs
June 30, 2006

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2006-1: Disposition of Property

Condition:

During the testing of capital assets we noted that the County did not timely notify the State Auditor's office when disposing of property. On September 15, 2005, the County approved Resolution R-05-041 for the Deletion of Property and Proposed Disposition of a D6R Dozer. The Resolution required that the State Auditor and Department of Finance and Administration be notified thirty days prior to the disposition. In reviewing the documentation, the company acquiring the property was invoiced on July 21, 2005 and the County was paid by check on August 31, 2005.

Cause:

The County Road Department did not give the Finance Department timely notification of its intent to dispose of the property.

Criteria:

Section 13-6 and 13-6-2 NMSA 1978, and the procurement code govern the disposition of obsolete, worn-out or unusable tangible personal property owned by state agencies. At least thirty days prior to such disposition of property, written notification of the official finding and disposition duly sworn and subscribed under oath by each member of the County Commission must be sent to the State Auditor.

Effect:

The County could be disposing of property prior to the approval of the County Commission and the State Auditor's office notification.

Recommendation:

The County should develop and enforce policies and procedures to ensure that the disposition of property is approved by the County Commission prior to its disposition and that the State Auditor's office is notified at least thirty days prior to disposition.

Client Response:

The County is aware of the requirement to notify the State Auditor's Office 30 days prior to the disposition of property. The County plans to implement procedures and notify all departments to insure that all dispositions are approved in advance.

STATE OF NEW MEXICO
CHAVES COUNTY
Schedule of Findings and Questioned Costs
June 30, 2006

C. FINDINGS – FEDERAL AWARDS

None

D. FINDINGS – PRIOR YEAR AUDIT

2005-1: Disposition of Property – Repeated in the current year

E. EXIT CONFERENCE

The contents of this report were discussed at an exit conference held on November 10, 2006. The following individuals were in attendance.

Chaves County Officials

Stan Riggs, County Manager
Dorrie Faubas-McCarty, Commissioner
Richard Taylor, Commissioner
Joe Sedillo, Finance Director
Anita Maner Hernandez, County Treasurer
Amy Montgomery, Treasurer's Office

Auditor

Ron Miller, Principal
Ryan Miller, On-Site Manager

F. FINANCIAL STATEMENT PREPARATION

The financial statements of Chaves County were prepared from original books and records provided by the management of these entities by Miller and Associates, C.P.A., P.C.

10-25-07