

**STATE OF NEW MEXICO
CHAVES COUNTY
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012**

**STATE OF NEW MEXICO
CHAVES COUNTY**

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**STATE OF NEW MEXICO
CHAVES COUNTY
OFFICIAL ROSTER
JUNE 30, 2012**

County Commissioners

James W. Duffey	District 1 Commissioner
Kim Chesser	District 2 Commissioner
Kile D. "Smiley" Wooton	District 3 Commissioner
Richard C. Taylor	District 4 Commissioner
Greg Nibert	District 5 Commissioner

Elected Officials

Ron Lethgo	County Assessor
Rhoda C. Coakley	County Clerk
Rob Coon	County Sheriff
Steve Harris	County Treasurer

Administrative Officials

Stanton L. Riggs	County Manager
Joe Sedillo	Finance Director
Sonny Chancey	Public Services Director
Craig Russell	IT Director
Marlin Johnson	Planning and Zoning Director
Richard "Dick" Smith	Flood Control Superintendent
Sandra Stewart	Adult and Juvenile Detention Administrator

**STATE OF NEW MEXICO
CHAVES COUNTY
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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INDEPENDENT AUDITORS' REPORT

Mr. Hector H. Balderas
New Mexico State Auditor

County Commissioners of the
State of New Mexico, Chaves County

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and other major special revenue funds, of Chaves County, New Mexico (County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds, internal service fund, and the budgetary comparisons for the major capital project fund, permanent fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements and schedules are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements and schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of each nonmajor governmental funds, and internal service fund of the County as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project fund, permanent fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our November 8, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as Other Supplementary Information in the table of contents are presented for the purposes of additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of Federal Awards, Agency Funds Schedules and Other Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 8, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

As management of the Chaves County, New Mexico (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the current fiscal year.

FINANCIAL HIGHLIGHTS

The financial statements which follow the Management's Discussion and Analysis provide those significant key financial highlights for 2011-12 as follows.

- The County's total net assets of governmental activities decreased \$35.3 million primarily due to the County's depreciation of infrastructure change related to capital assets.
- General revenues from governmental activities accounted for \$24.8 million in revenue, or 79 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6.5 million or 21 percent of total governmental activities revenues.
- The County had \$37.0 million in expenses related to governmental activities, an increase of 14 percent from the prior fiscal year.
- The General Fund had \$15.9 million in revenues, which primarily consisted of property tax and intergovernmental revenues. The total expenditures of the General Fund were \$13.2 million. The General Fund's fund balance decreased \$1.6 million to \$15.5 million primarily due to reclassification and absorption of health initiatives.
- The Road Fund had \$1.8 million in revenues, which primarily consisted of gasoline and motor vehicle taxes and intergovernmental revenues. The total expenditures of the Road Fund were \$4.1 million. The Road Fund's fund balance increased \$767,230 to \$2.1 million at current fiscal year end.
- The Indigent Hospital Claims Fund had \$3.0 million in revenues, which primarily consisted of gross receipts taxes. The total expenditures of the Indigent Hospital Claims Fund were \$4.0 million. The Indigent Hospital Claims Fund's fund balance decreased \$970,044 from prior fiscal year end to \$593,170 at current fiscal year end.
- The Detention Construction Fund had \$1.5 million in revenues, which consisted of gross receipts taxes. The total expenditures of the Detention Construction Fund were \$2.5 million. The Detention Construction Fund's fund balance at current fiscal year end was \$518,591.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The 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 the County's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the County's net assets 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 compensated absences).

The government-wide financial statements outline functions of the County that are principally supported by taxes and intergovernmental revenues. The governmental activities of the County include general government, public safety, public works, culture and recreation, health and welfare, and interest on long-term debt.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General, Road, Indigent Hospital Claims, Detention Construction, and County Permanent Funds, all of which are considered to be the County's major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of supplementary individual and combining schedules.

Proprietary funds. The County maintains one type of proprietary funds. The internal service fund is an accounting device used to accumulate and allocate costs internally amount the County's various functions. The internal service fund accounts for purchases of bulk supplies at a discount which are then transferred to the departments as requisitioned.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Under New Mexico Administrative Code Section 2.2.2, governments in New Mexico must include the budgetary comparison statement for the General Fund and major special revenue fund data as a component of the fund financial statements within the basic financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$202.1 million at the current fiscal year end.

The largest portion of Chaves County's net assets reflects its investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and improvements, and vehicles, furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a significant portion of the County's net assets relate to the Permanent Fund. This portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. As a result of Ordinance #54 in fiscal year 1999, the County commissioners established a Permanent Fund. The principal amount of \$50.0 million must be maintained; accordingly these net assets are not available for future spending.

The County's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

The following table presents a summary of the County's net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	As of June 30, 2012 (as restated)	As of June 30, 2011
Current and other assets	\$ 88,939,555	\$ 88,207,273
Capital assets, net	125,131,825	160,557,107
Total assets, net	<u>214,071,380</u>	<u>248,764,380</u>
Current and other liabilities	2,841,393	1,251,301
Long-term liabilities	9,104,160	9,995,831
Total liabilities	<u>11,945,553</u>	<u>11,247,132</u>
Invested in capital assets, net of related debt	116,611,132	151,171,973
Restricted	70,373,339	70,667,370
Unrestricted	15,141,356	15,677,905
Total net assets	<u>\$ 202,125,827</u>	<u>\$ 237,517,248</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

At the end of the current fiscal year the County reported positive balances in all three categories of net assets. The same situation held true for the prior fiscal year. The County's financial position is the product of several financial transactions including the net result of activities, the acquisition of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Assets.

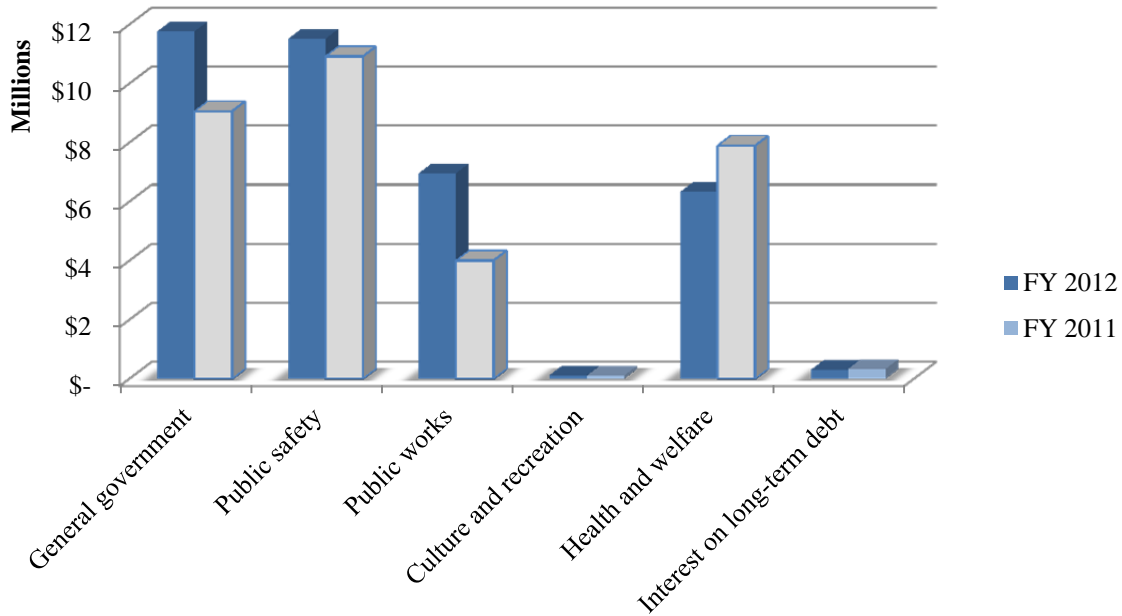
- The principal retirement of \$815,000 of bonds.
- The net addition of \$1.1 million of vehicles, furniture, and equipment, and building improvements.

Changes in net assets. The County's total revenues for the current fiscal year were \$31.3 million. The total cost of all programs and services was \$37.0 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	<u>Fiscal Year Ended June 30, 2012</u>	<u>Fiscal Year Ended June 30, 2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,592,851	\$ 1,279,840
Operating grants and contributions	3,770,794	9,103,069
Capital grants and contributions	1,186,305	2,667,906
General revenues:		
Property taxes, levied for general purposes	8,391,027	7,902,236
Property taxes, levied for capital projects	1,208,012	1,191,958
Gross receipts taxes	7,576,240	7,424,494
Gasoline and motor vehicle taxes	2,550,998	2,195,484
Other taxes	894,645	1,218,259
Unrestricted federal aid	2,928,777	2,865,630
Investment income	1,243,760	873,486
Total revenues	<u>31,343,409</u>	<u>36,722,362</u>
Expenses:		
General government	11,772,859	9,064,603
Public safety	11,515,590	10,917,930
Public works	6,964,010	4,005,389
Culture and recreation	122,896	108,600
Health and welfare	6,333,835	7,893,800
Interest on long-term debt	307,958	341,481
Total expenses	<u>37,017,148</u>	<u>32,331,803</u>
Changes in net assets	<u>(5,673,739)</u>	<u>4,390,559</u>
Net assets, beginning of year, as restated	<u>207,799,566</u>	<u>233,126,689</u>
Net assets, ending of year	<u>\$ 202,125,827</u>	<u>\$ 237,517,248</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



The following are significant current year transactions that had an impact on the change in net assets.

- Operating grants and contributions decreased \$5.3 million due to a donation of \$5.0 million in the prior fiscal year.
- Capital grants and contributions decreased \$1.5 million primarily due to a community development block grant received in the prior fiscal year.
- General government expenses increased \$2.7 million primarily due to capital outlay not being capitalized in the current year.
- Public works expenses increased \$3.0 million primarily due to absorptions of medical costs and utilization of net assets.

Governmental activities. The following table presents the cost of the six major County functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and County's taxpayers by each of these functions.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	<u>Year Ended June 30, 2012</u>		<u>Year Ended June 30, 2011</u>	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 11,772,859	\$ (9,700,248)	\$ 9,064,603	\$ (496,553)
Public safety	11,515,590	(8,826,421)	10,917,930	(8,178,323)
Public works	6,964,010	(6,232,072)	4,005,389	(2,725,446)
Culture and recreation	122,896	(122,896)	108,600	(108,600)
Health and welfare	6,333,835	(5,277,603)	7,893,800	(7,430,585)
Interest on long-term debt	307,958	(307,958)	341,481	(341,481)
Total	<u>\$ 37,017,148</u>	<u>\$(30,467,198)</u>	<u>\$32,331,803</u>	<u>\$(19,280,988)</u>

- The cost of all governmental activities this year was 37.0 million.
- Charges for services and contributions subsidized certain governmental programs with revenues of \$6.5 million.
- Net cost of governmental activities of \$30.5 million was financed by general revenues, which are made up of primarily property taxes and gross receipts taxes of \$17.2 million.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$85.8 million, a decrease of \$903,464 primarily due to increased operation costs and utilization of fund balance reserves.

The General Fund is the principal operating fund of the County. The General Fund's fund balance decreased \$1.6 million to \$15.5 million at year end primarily due to reabsorbed health initiatives.

The Road Fund's fund balance increased \$767,230 to \$2.1 million as of fiscal year end. Road Fund revenues increased \$156,545 to \$1.8 million at fiscal year end and expenditures increased \$78,800 to \$4.1 million.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (Concl'd)

The Indigent Hospital Fund's fund balance decreased \$970,044 to \$593,170 at fiscal year end due to the utilization of fund balance to fund the Sole Community Providers.

The Detention Construction Fund's fund balance decreased \$846,878 to 518,591 at fiscal year end due to additional allocated costs at the Detention Center.

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.

A statement reporting the original and final budget amounts compared to the County's actual financial activity for the General Fund is provided in this report as a basic financial statement. The significant variance was the favorable variance of \$109,694 in charges for services which was a result of rising prisoner care program revenues.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the County had invested \$184.0 million in capital assets, including buildings, construction in progress, equipment, and infrastructure assets. This amount represents a net decrease prior to depreciation of \$2.4 million. Total depreciation expense for the current fiscal year was \$3.9 million. The following schedule presents capital asset balances for the fiscal years ended June 30, 2012 and June 30, 2011.

<u>Governmental Activities</u>	As of June 30, 2012 (as restated)	As of June 30, 2011
Land	\$ 3,740,242	\$ 3,677,862
Land improvements	436,733	395,485
Buildings and improvements	42,946,954	41,608,430
Vehicles, furniture, and equipment	25,720,908	25,343,549
Construction in progress		1,854,664
Infrastructure	58,293,300	113,242,950
Unpaved roads	52,207,650	
Fine art	646,246	300,822
Less: Accumulated depreciation	<u>(58,860,208)</u>	<u>(25,866,655)</u>
Total	<u>\$ 125,131,825</u>	<u>\$ 160,557,107</u>

Additional information on the County's capital assets can be found in Note 6.

Debt Administration. At year end, the County had \$8.5 million in long-term debt outstanding. The following table presents a summary of the County's outstanding long-term debt for the fiscal years ended June 30, 2012 and June 30, 2011.

	<u>2012</u>	<u>2011</u>
Bonds payable	\$ 7,895,000	\$ 8,710,000
Loans payable	625,693	675,134
Total	<u>\$ 8,520,693</u>	<u>\$ 9,385,134</u>

State statutes currently limit the amount of general obligation debt a County may issue to 4 percent of its total taxable property for general purposes. The current debt limitation for general purposes for the County is \$119.8 million.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the County's administration during the process of developing the fiscal year 2012-13 budget. Among them:

- Employee salaries.
- The unemployment rate of Chaves County is currently 7.6 percent, which is an increase from a rate of 6 percent a year ago. This is equal to the state's average unemployment rate of 6.4 percent and favorably with the national average rate of 7.9 percent.
- Inflationary trends in the region compare favorably to national indices, 1.7%.

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund increased 3 percent to \$13.0 million in fiscal year 2012-13. Increased payroll and employee benefit costs is the primary reason for the increase. Gross receipts and property taxes are expected to be the primary funding sources.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Director, Chaves County, P. O. Box 1597, Roswell, New Mexico 88202-1597 or visit our website at www.co.chaves.nm.us.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 6,338,796
Investments	27,164,579
Receivables	3,018,924
Inventory	1,188,019
Prepaid items	229,237
Total current assets	37,939,555
Noncurrent assets:	
Cash and cash equivalents	1,000,000
Investments	50,000,000
Land	3,740,242
Land improvements	436,733
Buildings and improvements	42,946,954
Vehicles, furniture and equipment	25,720,908
Unpaved roads	52,207,650
Infrastructure	58,293,300
Fine art	646,246
Accumulated depreciation	(58,860,208)
Total noncurrent assets	176,131,825
Total assets	214,071,380
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,490,397
Accrued payroll	7,579
Unearned revenue	54,775
Compensated absences payable	31,712
Loans payable	48,229
Bonds payable	860,000
Accrued interest payable	128,583
Total current liabilities	3,621,275
Noncurrent liabilities:	
Deferred bond items	160,059
Non-current portion of long-term obligations	8,164,219
Total noncurrent liabilities	8,324,278
Total liabilities	11,945,553
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	116,611,132
Restricted for:	
Special purposes	12,302,381
Debt service	5,613,956
Capital outlay	2,457,002
Nonexpendable	50,000,000
Unrestricted	15,141,356
Total net assets	\$ 202,125,827

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 11,772,859	\$ 1,339,252	\$ 157,497	\$ 575,862	\$ (9,700,248)
Public safety	11,515,590	169,477	2,081,749	437,943	(8,826,421)
Public works	6,964,010	84,122	475,316	172,500	(6,232,072)
Culture and recreation	122,896				(122,896)
Health and welfare	6,333,835		1,056,232		(5,277,603)
Interest on long-term debt	307,958				(307,958)
Total governmental activities	<u>\$ 37,017,148</u>	<u>\$ 1,592,851</u>	<u>\$ 3,770,794</u>	<u>\$ 1,186,305</u>	<u>(30,467,198)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	8,391,027
Property taxes, levied for capital purposes	1,208,012
Gross receipts taxes	7,576,240
Gasoline and motor vehicle taxes	2,550,998
Other taxes	894,645
Unrestricted federal aid	2,928,777
Investment income	1,243,760
Total general revenues	<u>24,793,459</u>

Changes in net assets (5,673,739)

Net assets, beginning of year 237,517,248

Net assets, restatement (29,717,682)

Net assets, beginning of year, as restated 207,799,566

Net assets, end of year \$ 202,125,827

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FUND FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>General</u>	<u>Road</u>	<u>Indigent Hospital Claims</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 130,444	\$	\$ 705,739
Cash and cash equivalents - restricted			
Investments	15,042,145	1,051,728	
Investments - restricted			
Receivables	974,402	129,561	391,034
Inventory		1,154,803	
Prepaid items	146,367	16,634	533
Total assets	<u>\$ 16,293,358</u>	<u>\$ 2,352,726</u>	<u>\$ 1,097,306</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 344,469	\$ 301,120	\$ 504,091
Accrued payroll	5,721	1,133	45
Deferred revenue	453,017		
Total liabilities	<u>803,207</u>	<u>302,253</u>	<u>504,136</u>
Fund balances:			
Nonspendable	146,367	1,171,437	533
Restricted		879,036	592,637
Committed			
Unassigned	15,343,784		
Total fund balances	<u>15,490,151</u>	<u>2,050,473</u>	<u>593,170</u>
Total liabilities and fund balances	<u>\$ 16,293,358</u>	<u>\$ 2,352,726</u>	<u>\$ 1,097,306</u>

The notes to the basic financial statements are an integral part of this statement.

<u>Detention Construction</u>	<u>County Permanent</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 733,511	\$	\$ 4,670,157	\$ 6,239,851
		1,000,000	1,000,000
		11,070,706	27,164,579
	50,000,000		50,000,000
260,322		1,263,605	3,018,924
			1,154,803
28,839		36,864	229,237
<u>\$ 1,022,672</u>	<u>\$ 50,000,000</u>	<u>\$ 18,041,332</u>	<u>\$ 88,807,394</u>
\$ 504,081	\$	\$ 828,238	\$ 2,481,999
		680	7,579
		92,543	545,560
<u>504,081</u>		<u>921,461</u>	<u>3,035,138</u>
28,839	50,000,000	36,864	51,384,040
489,752		14,450,845	16,412,270
		2,632,162	2,632,162
			15,343,784
<u>518,591</u>	<u>50,000,000</u>	<u>17,119,871</u>	<u>85,772,256</u>
<u>\$ 1,022,672</u>	<u>\$ 50,000,000</u>	<u>\$ 18,041,332</u>	<u>\$ 88,807,394</u>

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**STATE OF NEW MEXICO
CHAVES COUNTY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total governmental fund balances \$ 85,772,256

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 183,992,033	
Less accumulated depreciation	<u>(58,860,208)</u>	125,131,825

Some revenues will not be available to pay for current period expenditures and, therefore, are deferred in the governmental funds.

Property taxes	420,660	
Other taxes	<u>70,125</u>	490,785

The Internal Service Fund is used by management to charge the costs of supplies to the individual departments.

The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.

123,763

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable	(128,583)	
Deferred bond items	(160,059)	
Compensated absences payable	(583,467)	
Loans payable	(625,693)	
Bonds payable	<u>(7,895,000)</u>	<u>(9,392,802)</u>

Net assets of governmental activities \$ 202,125,827

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>General</u>	<u>Road</u>	<u>Indigent Hospital Claims</u>
Revenues:			
Property taxes	\$ 8,400,202	\$	\$
Gasoline and motor vehicle taxes	1,499,127	1,051,871	
Gross receipts taxes	352,063	300,000	2,307,267
Other taxes			667,305
State grants and contributions	106,102	352,962	
Federal grants and contributions	3,050,264	24,292	
Charges for services	368,794	8,330	
Licenses and fees	505,024		
Investment income	1,216,373		7,046
Contributions			
Other	392,715	75,792	8,285
Total revenues	<u>15,890,664</u>	<u>1,813,247</u>	<u>2,989,903</u>
Expenditures:			
Current -			
General government	5,641,273		
Public safety	7,308,710		
Public works		4,047,490	
Culture and recreation	123,494		
Health and welfare	167,883		3,959,947
Capital outlay		58,891	
Debt service -			
Principal			
Interest and fees			
Total expenditures	<u>13,241,360</u>	<u>4,106,381</u>	<u>3,959,947</u>
Excess (deficiency) of revenues over expenditures	<u>2,649,304</u>	<u>(2,293,134)</u>	<u>(970,044)</u>
Other financing sources (uses):			
Transfers in		3,000,000	
Transfers out	(4,250,000)		
Total other financing sources (uses):	<u>(4,250,000)</u>	<u>3,000,000</u>	
Changes in fund balances	<u>(1,600,696)</u>	<u>706,866</u>	<u>(970,044)</u>
Fund balances, beginning of year	17,090,847	1,283,243	1,563,214
Increase (decrease) in reserve for inventory		60,364	
Fund balances, end of year	<u>\$ 15,490,151</u>	<u>\$ 2,050,473</u>	<u>\$ 593,170</u>

The notes to the basic financial statements are an integral part of this statement.

<u>Detention Construction</u>	<u>County Permanent</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$ 1,199,275	\$ 9,599,477
			2,550,998
1,534,719		3,082,191	7,576,240
		261,682	928,987
		2,626,731	3,085,795
		504,497	3,579,053
		72,719	449,843
			505,024
		20,341	1,243,760
		1,000,000	1,000,000
		382,220	859,012
<u>1,534,719</u>	<u></u>	<u>9,149,656</u>	<u>31,378,189</u>
		279,543	5,920,816
		1,479,970	8,788,680
		1,097,620	5,145,110
			123,494
		2,204,733	6,332,563
2,481,597		2,282,920	4,823,408
		864,441	864,441
		343,505	343,505
<u>2,481,597</u>	<u></u>	<u>8,552,732</u>	<u>32,342,017</u>
<u>(946,878)</u>	<u></u>	<u>596,924</u>	<u>(963,828)</u>
100,000		2,800,000	5,900,000
		(1,650,000)	(5,900,000)
<u>100,000</u>	<u></u>	<u>1,150,000</u>	<u></u>
<u>(846,878)</u>	<u></u>	<u>1,746,924</u>	<u>(963,828)</u>
1,365,469	50,000,000	15,372,947	86,675,720
			60,364
<u>\$ 518,591</u>	<u>\$ 50,000,000</u>	<u>\$ 17,119,871</u>	<u>\$ 85,772,256</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

Net changes in fund balances - total governmental funds \$ (903,464)

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

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

Expenditures for capital assets	\$ 1,122,321	
Less: current year depreciation	<u>(3,913,017)</u>	(2,790,696)

Revenues in the governmental funds that provide current financial resources are not included in the Statement of Activities because they were recognized in a prior period.

Property taxes	(438)	
Other taxes	<u>(34,342)</u>	(34,780)

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

Bond principal retirement	815,000	
Loan principal retirement	<u>49,441</u>	864,441

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of capital assets	(2,916,904)	
Compensated absences payable	27,230	
Amortization of deferred bond issuance items	22,982	
Accrued interest on long-term debt	<u>12,565</u>	(2,854,127)

Internal Service Fund is used by management to charge the costs of supplies to the individual departments. The change in net assets of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

44,887

Change in net assets in governmental activities \$ (5,673,739)

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$ 8,267,300	\$ 8,448,300	\$ 8,324,049	\$ (124,251)
Gasoline and motor vehicle taxes	1,661,099	1,561,199	1,487,764	(73,435)
Gross receipts taxes	250,000	352,000	352,063	63
Other taxes				
Intergovernmental	3,042,000	3,008,092	3,156,366	148,274
Charges for services	246,099	259,100	368,794	109,694
Licenses and fees	404,820	466,935	505,024	38,089
Investment income	55,000	55,150	21,180	(33,970)
Contributions				
Other	381,720	382,870	389,432	6,562
Total revenues	<u>14,308,038</u>	<u>14,533,646</u>	<u>14,604,672</u>	<u>71,026</u>
Cash balance carryforward	<u>551,841</u>	<u>532,328</u>		
Total	<u>\$ 14,859,879</u>	<u>\$ 15,065,974</u>		
Expenditures:				
Current -				
General government	\$ 5,508,368	\$ 5,987,813	5,589,927	397,886
Public safety	7,579,430	7,501,725	7,308,710	193,015
Public works				
Culture and recreation	114,458	128,513	123,494	5,019
Health and welfare	187,623	177,923	167,033	10,890
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>13,389,879</u>	<u>13,795,974</u>	<u>13,189,164</u>	<u>606,810</u>
Other financing sources (uses):				
Transfers in	180,000	180,000		180,000
Transfers out	(1,650,000)	(1,450,000)	(70,000)	(1,380,000)
Total other financing sources (uses)	<u>(1,470,000)</u>	<u>(1,270,000)</u>	<u>(70,000)</u>	<u>(1,200,000)</u>
Change in fund balance -budgetary basis			1,345,508	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			87,516	
Expenditure accruals				
Change in fund balance for fund budgeted separately from the General Fund			<u>(3,033,720)</u>	
Change in fund balance - GAAP basis			<u>\$ (1,600,696)</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes	350,000	350,000	935,077	585,077
Gross receipts taxes	300,000	300,000	300,000	
Other taxes				
Intergovernmental	586,000	594,000	377,254	(216,746)
Charges for services	9,000	8,240	8,330	90
Licenses and fees				
Investment income				
Contributions				
Other	21,000	56,000	75,792	19,792
Total revenues	1,266,000	1,308,240	1,696,453	388,213
Cash balance carryforward	(300,358)	(337,110)		
Total	\$ 965,642	\$ 971,130		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works	4,928,797	4,928,585	4,021,342	907,243
Culture and recreation				
Health and welfare				
Capital outlay	236,845	242,545	58,891	183,654
Debt service -				
Principal				
Interest and fees				
Total expenditures	5,165,642	5,171,130	4,080,233	1,090,897
Other financing sources (uses):				
Transfers in	4,200,000	4,200,000	3,000,000	1,200,000
Transfers out				
Total other financing sources (uses)	4,200,000	4,200,000	3,000,000	1,200,000
Change in fund balance - budgetary basis			616,220	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			116,794	
Expenditure accruals			(26,148)	
Change in fund balance - GAAP basis			\$ 706,866	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - INDIGENT HOSPITAL CLAIMS
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	2,250,000	2,250,000	1,916,233	(333,767)
Other taxes	653,500	653,500	667,305	13,805
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income	15,000	15,000	7,046	(7,954)
Contributions				
Other	10,000	10,000	8,285	(1,715)
Total revenues	2,928,500	2,928,500	2,598,869	(329,631)
Cash balance carryforward	1,011,082	1,011,082		
Total	\$ 3,939,582	\$ 3,939,582		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	3,939,582	3,939,582	3,458,228	481,354
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	3,939,582	3,939,582	3,458,228	481,354
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(859,359)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			391,034	
Expenditure accruals			(501,719)	
Change in fund balance - GAAP basis			\$ (970,044)	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012**

	Governmental Activities: Internal Service Fund
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 98,945
Inventory	33,216
Total current assets	132,161
Total assets	132,161
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	8,398
Total current liabilities	8,398
Total liabilities	8,398
 <u>NET ASSETS</u>	
Unrestricted	123,763
Total net assets	\$ 123,763

The notes to the basic financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Governmental Activities: Internal Service Fund
Operating revenues:	
Sales of supplies	\$ 44,887
Total operating revenues	<u>44,887</u>
Operating income	<u>44,887</u>
Changes in net assets	<u>44,887</u>
Total net assets, beginning of year	78,876
Total net assets, end of year	<u><u>\$ 123,763</u></u>

The notes to the basic financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Governmental Activities: Internal Service Fund
<u>Increase in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from sales of supplies	\$ 11,671
Cash payments to suppliers for goods and services	7,304
	18,975
Net cash provided by operating activities	18,975
Net increase in cash and cash equivalents	18,975
Cash and cash equivalents, beginning of year	79,970
Cash and cash equivalents, end of year	\$ 98,945
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided by Operating Activities</u>	
Change in net assets	\$ 44,887
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in inventory	(33,216)
Increase in accounts payable	7,304
Total adjustments	(25,912)
Net cash provided by operating activities	\$ 18,975

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-AGENCY FUND
JUNE 30, 2012**

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 442,134
Taxes receivable	<u>1,514,862</u>
Total assets	<u><u>\$ 1,956,996</u></u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 63,943
Due to other taxing entities	<u>1,893,053</u>
Total liabilities	<u><u>\$ 1,956,996</u></u>

The notes to the basic financial statements are an integral part of this statement.

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**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chaves County (the County) is a political subdivision of the State of New Mexico established under the provisions of Section 4-4-1 of NMSA, 1978 compilation, and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissioners-manager form of government and provides the following services as authorized by public law: public safety (police, fire, emergency medical, etc.), roads, health and social services, farm and range, recreation, property assessment, tourist promotion and general administrative services.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America 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 County's significant accounting policies are described below.

A. Reporting Entity

The County's major operations include public safety, collection of and distribution of property taxes, farm and range, planning and zoning, certain health and social services, general administration services, and jail operations.

The financial reporting entity consists of a primary government and its component units. The County is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the County for financial statement presentation purposes, and the County is not included in any other governmental reporting entity. Consequently, the County's financial statements include only the financial activity of those organizational entities for which its elected governing body is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the County as a whole. The reported information includes all of the nonfiduciary activities of the County. For the most part, the effect of internal activity has been removed from these statements. These statements distinguish between governmental and business-type activities of the County. The County does not have any business-type activities. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary funds, even though the latter is 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

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. In addition, the fiduciary fund financial statements are reported on the accrual basis of accounting. 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 levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements, however the effect of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their exchange value. The County does not allocate indirect expenses to functions in the statement of activities.

Fund Financial Statements – 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, derived tax revenues, such as gross receipts, gasoline and motor vehicle taxes, are recognized as revenues when the underlying exchange transaction has occurred. 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, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property taxes, gross receipts taxes, state shared taxes, charges for services, and investment income 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. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received.

Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenue also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider. The County receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the follow through agency (usually the New Mexico Department of Finance and Administration). The various budgets are approved by the County Commissioner.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Property taxes recognized are net of estimated refunds and uncollectible amounts. Delinquent property taxes have been recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements. Tax revenues are recognized when they are in the hands of the collecting agency. The County records only the portion of the taxes considered to be 'measurable' and 'available.' Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes. Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1 of each year to be paid in whole or in two installments by November 10 and April 10 of each year. Chaves County collects County, City and School taxes and distributes them to each fund once per month except in June when the taxes are distributed twice to close out the fiscal year.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

The County reports the following major governmental funds.

General Fund – This fund accounts all financial activities except those required to be accounted for in other funds. It is funded primarily through property, gross receipts and other miscellaneous taxes. The General Fund includes the County's Hospital Aged Accounts and County Income Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Road Fund – This special revenue fund 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)

Indigent Hospital Claims Fund – This special revenue fund accounts 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)

Detention Construction Fund – This fund accounts for the construction of a new detention center. (Ordinance #39, 6-21-93)

The County Permanent Fund – This fund accounts for monies transferred to the Permanent Fund was established as a result of Ordinance #54 by the County Commissioners. 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; investment earnings on the Permanent fund are recorded in 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.

Additionally, the County reports the following fund type:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to the County's purchase of bulk supplies at a discount which is then transferred to the departments that need the supplies.

Fiduciary Fund – The Fiduciary Fund is an Agency Fund which accounts for resources held by the County for others. This fund is issued to account for the collection and payment of property taxes and special fees to other governmental agencies.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Cash and Investments

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

New Mexico Statutes Annotated (NMSA) authorizes the County to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of New Mexico, counties, cities, school districts, and special districts as specified by statute.

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. Section 6-10-101, 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 in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per section 6-10-10.1F, NMSA 1978, 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 fund amounts were invested. Participation in the local government investment pool is voluntary. The investment in the State of New Mexico local government investment pool approximates the value of the participant's pool share.

A significant portion of the cash and investments of funds of the County is pooled for investment purposes. Equity in pooled cash and investments includes amounts in demand deposit accounts, money market accounts, certificates of deposit, U.S. Treasury securities, and repurchase agreements secured by collateral with a market value greater than 102% of the value of the agreement. The securities are held by a third party in the County's name. Interest earned is allocated to the applicable County funds based on the County's policy of allocating interest to those funds which are required by law or by debt covenants. The remaining interest income is recorded in the General Fund.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Certain resources set aside for the repayment of debt are classified as cash and investments – restricted on the statement of net assets/balance sheet, because their use is limited by applicable bond covenants. A trust account, recorded in the Revenue Bond Debt Service Fund, is used to segregate resources accumulated for future debt service payments.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

F. 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” All receivables are shown net of allowance for uncollectibles.

The County is responsible for assessing, collecting and distributing property taxes for its own operational and debt service purposes and for certain outside entities. Taxes are levied on November 1 and are payable in two installments no later than November 10 and April 10. Unpaid property taxes attach as an enforceable lien on property thirty (30) days thereafter. Collections and remittance of property taxes are accounted for in the County Treasurer's Agency Fund. Amounts are recognized as revenue in the applicable governmental fund types under accounting principles generally accepted in the United States. The property taxes receivable for the General Fund and for the Flood Control Fund in the governmental fund financial statements are net of an allowance for uncollectible. Refunds related to the settlement of property tax protests are only recorded when the case is completed.

G. Inventory

All inventories are valued using the average cost method. Inventories consist of materials used in the Road Department's operations. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Capital Assets

Capital assets include land and improvements; buildings and improvements; plant; vehicles, furniture, and equipment; construction in progress; computer software; fine art; and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Information technology equipment including software, is capitalized and included in furniture, fixtures and equipment in accordance with State Law. The County defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Effective July 1, 2006, State law requires capitalization of assets greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Unpaved roads are not depreciated since once they are placed in operation, only annual maintenance is required to keep them operational for an indefinite period. During 2012, the County changed in its method of reporting infrastructure assets from the modified approach to the depreciation approach (Note 11). Major outlays for capital assets and improvements are capitalized as projects are constructed.

Governmental capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	40
Buildings and improvements	40
Vehicles, furniture and equipment	5-30
Infrastructure	60

I. Compensated Absences

The County's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Employees accrue vacation leave with pay based upon years of service and accrue a maximum of eighty (80) hours of sick leave annually. In the event of termination, an employee is reimbursed for all accrued vacation. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Long-term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, as well as issuance costs, and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the statement of activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

L. Budgets

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, Local Government Division. Amendments may include 1) budget increases, 2) transfers of budget or cash between funds, and 3) budget decreases. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, the legal level of budgetary control is the fund level. Expenditures may not legally exceed budgeted appropriations at the fund level.

The budgets of the County are prepared on a basis inconsistent with generally accepted accounting principles (GAAP). Budgetary basis expenditures exclude encumbrances. The budget secures appropriations of funds for only one year. Carryover funds must be reappropriated in the budget of the subsequent year. The following funds were not budgeted in fiscal year 2012: Revenue Bond Reserve Fund and County Permanent Fund. The Revenue Bond Reserve Fund does not report any activity. The only activity recorded by the County Permanent fund is the fund balance.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

M. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. Significant estimates affecting the County's financial statements include management's estimate of the useful lives of capital assets.

N. 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Board of County Commissioners. Those committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specified use by taking the same type of action it employed to previously commit those accounts.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of County Commissioners or a management official delegated that authority by the formal Board of County Commissioners action.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be restricted, committed, or assigned.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the County's fund balance classifications at year end.

	<u>General Fund</u>	<u>Road Fund</u>	<u>Indigent Hospital Claims Fund</u>	<u>Detention Construction Fund</u>	<u>County Permanent Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:						
Nonspendable:						
Inventory	\$	\$1,154,803	\$	\$	\$	\$
Prepaid items	146,367	16,634	533	28,839		36,864
Permanent					50,000,000	
Restricted:						
Debt service						5,613,956
Capital projects		879,036		489,752		1,818,174
State/Federal projects						6,590,443
Other purposes			592,637			428,272
Committed:						
Capital Projects						630,965
Insurance						1,947,212
Other Purposes						53,985
Unassigned	<u>15,343,784</u>					
Total fund balances	<u>\$15,490,151</u>	<u>\$2,050,473</u>	<u>\$ 593,170</u>	<u>\$ 518,591</u>	<u>\$ 50,000,000</u>	<u>\$ 17,119,871</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of differences is presented on each individual budgetary statement.

NOTE 4 – CASH AND INVESTMENTS

At year end, the carrying amount of the County’s deposits was \$6,780,930 and the bank balance was \$7,790,352. The difference represents outstanding checks, deposits, and other reconciling items.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned. The County has a deposit policy for custodial credit risk; which follows New Mexico law. All deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The County’s agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC) and the Dodd-Frank Wall Street Reform and Consumer Protection Act. At year end, \$13,182,104 of the County’s bank balance was exposed to custodial credit risk as uninsured and was collateralized with securities held by the pledging financial institution’s trust department.

The pledged collateral by bank at year end consists of the following.

Deposits	\$ 13,182,104
Less FDIC and Frank-Dodd coverage	<u>1,837,396</u>
Total unsecured public funds	11,344,708
50% collateral requirement	5,672,354
Pledged securities, fair value	<u>8,640,508</u>
Pledged in excess of requirement	<u>\$ 2,968,154</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

At year end the County's investments consisted of the following.

Investment Type	Fair Value	Investment Maturities (in Years)				Credit Risk Concentrations
		Less than 1	1-5	6-10	More than 10	
Money market - investments	\$ 655,853	\$ 655,853	\$	\$	\$	0.85%
State Investment Pool	7,883,209	7,883,209				10.22%
CD - marketable	3,000,000	3,000,000				3.89%
Corporate Bond	12,954,069		12,954,069			16.78%
U.S. Treasuries	12,978,264	4,083,380	7,863,087	1,031,797		16.82%
U.S. Agencies	1,009,208	1,009,208				1.31%
U.S. Instrumentality:						
Federal Farm Credit Bank	1,120,022		1,120,022			1.45%
Federal National Mortgage Association	20,444,755	6,755,200	10,728,114	2,961,441		26.49%
Federal Home Loan Mortgage Corporation	5,238,790		5,238,790			6.79%
Federal Home Loan Bank	11,880,409		11,880,409			15.40%
Total	\$ 77,164,579	\$ 23,386,850	\$ 49,784,491	\$ 3,993,238	\$	100%

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The weighted average maturity of the State Treasurer's local government investment pool was 60 days at year end.

Credit Quality Risk. The County has an investment policy that would further limit its investment choices. All of the County's investments in U.S. Agencies in the preceding table were rated Aaa by Moody's Investors Service and AAA by Standard & Poor's. The *New MexiGROW* Local Government Investment Pool (LGIP), a government investment pool is rated AAAM by Standard & Poor's and is authorized by the New Mexico State statute.

Custodial Credit Risk - Investments. To control custody risk State law and the County adopted Investment Policy requires all securities and all collateral for time and demand deposits as well as repurchase agreement collateral be transferred delivery versus payment and held by an independent party required to provide original safekeeping receipts. Repurchase agreements must be collateralized to 102%.

The County's investment in the New Mexico State Treasurer's Investment Pool represents a proportionate interest in the Pool's portfolio. The County's portion is not identified with specific investments and is not subject to custodial risk; however, separately issued financial statements of the Office of the State Treasurer disclose the collateral pledged to secure the State Treasurer's cash and investments. The most recent report may be obtained by contacting the Office of the State Treasurer, P.O. Box 5135, Santa Fe, New Mexico 87505-5135.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 5 – RECEIVABLES

Governmental receivable balances, net of allowance for uncollectible accounts, as of year end for the County’s individual major governmental funds and non-major governmental funds in the aggregate, were as follows.

	General Fund	Road Fund	Indigent Hospital Claims Fund	Detention Construction Fund	Non-Major Governmental Funds
Property Taxes	\$ 405,579	\$	\$	\$	\$ 104,439
Gasoline and Motor Vehicle Gross Receipts	11,363	116,794			
Other Taxes	245,618		391,034	260,322	638,081
Accounts	311,842	12,767			109,644
Due from federal government					255,998
Due from state government					155,443
Net receivables	<u>\$ 974,402</u>	<u>\$ 129,561</u>	<u>\$ 391,034</u>	<u>\$ 260,322</u>	<u>\$ 1,263,605</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, the various components of deferred revenue reported in the governmental funds were as follows.

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 329,426	\$
Other taxes receivable (General Fund)	70,125	53,466
Delinquent property taxes receivable (Flood Control Fund)	91,234	1,309
Total deferred revenue for governmental funds	<u>\$ 490,785</u>	<u>\$ 54,775</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 3,677,862	\$ 62,380	\$	\$ 3,740,242
Construction in progress	1,854,664		1,854,664	
Unpaved roads	54,487,950		2,280,300	52,207,650
Fine Art	300,822	345,424		646,246
Total capital assets, not being depreciated	<u>60,321,298</u>	<u>407,804</u>	<u>4,134,964</u>	<u>56,594,138</u>
Capital assets, being depreciated:				
Land improvements	395,485	41,248		436,733
Buildings and improvements	41,608,430	1,738,196	399,672	42,946,954
Vehicles, furniture, and equipment	25,343,549	789,737	412,378	25,720,908
Infrastructure	58,755,000		461,700	58,293,300
Total capital assets being depreciated	<u>126,102,464</u>	<u>2,569,181</u>	<u>1,273,750</u>	<u>127,397,895</u>
Less accumulated depreciation for:				
Land improvements	(168,488)	(31,990)		(200,478)
Buildings and improvements	(10,979,748)	(1,425,346)	(38,656)	(12,366,438)
Vehicles, furniture, and equipment	(14,718,419)	(1,484,126)	(367,640)	(15,834,905)
Infrastructure	(29,717,682)	(971,555)	(230,850)	(30,458,387)
Total accumulated depreciation	<u>(55,584,337)</u>	<u>(3,913,017)</u>	<u>(637,146)</u>	<u>(58,860,208)</u>
Total capital assets, being depreciated, net	<u>70,518,127</u>	<u>(1,343,836)</u>	<u>636,604</u>	<u>68,537,687</u>
Governmental activities capital assets, net	<u>\$ 130,839,425</u>	<u>\$ (936,032)</u>	<u>\$ 4,771,568</u>	<u>\$ 125,131,825</u>

Governmental capital asset depreciation by function is as follows:

General government	\$ 936,976
Public safety	1,299,593
Public works	1,676,448
Total	<u>\$ 3,913,017</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7 – BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bond. The bond is callable with interest payable semiannually. Gross receipts taxes as applicable from the respective debt service funds are used to pay bonded debt. In addition, the terms of the bond issuance require a \$1,000,000 reserve requirement which is reported in the Revenue Bond Reserve Fund.

General obligation bonds outstanding as reported in governmental-type activities at year end were as follows.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Outstanding Principal June 30, 2012</u>	<u>Due Within One Year</u>
Governmental activities:					
2007 Refunding Bonds	\$ 10,000,000	3.75% - 4.10%	7/1/12-20	\$ 7,895,000	\$ 860,000
Total				<u>\$ 7,895,000</u>	<u>\$ 860,000</u>

Annual debt service requirements to maturity on revenue and refunding bonds for governmental activities at year end are summarized as follows.

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 860,000	\$ 292,475
2014	885,000	259,535
2015	955,000	224,336
2016	1,060,000	185,415
2017	1,140,000	142,648
2018-20	2,995,000	158,617
Total	<u>\$ 7,895,000</u>	<u>\$ 1,263,026</u>

Pledged revenues – governmental activities. The County has pledged future gross receipts tax revenues to repay outstanding revenue bonds of \$7.9 million as of June 30, 2012. Proceeds from the original bond issuances provided financing for the construction, furnishing, equipping, rehabilitating, and expanding and improving the County Courthouse and County Administrative buildings. The bonds are paid solely from the County’s gross receipts tax and are payable through 2020. Total annual principal and interest payments for all gross receipts tax revenue bonds are expected to require less than 15% of gross revenues. Total principal and interest to be paid on the bonds is \$10.3 million. The current total gross receipts tax revenues were \$7.6 million and the total principal and interest paid on the bonds was \$1.2 million, or 16% of gross revenues.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 – LOANS PAYABLE

NMFA Loans. The County entered into several debt finance agreements with New Mexico Finance Authority (NMFA) to purchase various equipment. The principal and interest payments are recorded in the East Grand Plains Fire District, Midway Fire District, Berrendo Fire District and Chaves County Fire District #8 Funds, all non-major governmental funds. The NMFA loans are as follows.

Description	Date of Issue	Maturity	Interest Rates	Original Amount of Issue	Balance June 30, 2012
Berrendo Fire Equipment	June 2002	May 2013	3%	\$ 32,000	\$ 3,735
District #8 Fire Equipment	March 2003	May 2023	3%	125,000	77,994
East Grand Plains Fire Equipment	April 2004	May 2024	3%	269,708	182,931
East Grand Plains Fire Equipment	September 2006	May 2017	3%	150,000	84,027
Midway Fire Equipment	April 2009	May 2030	3%	162,400	150,131
East Grand Plains Fire Equipment	May 2011	May 2022	3%	126,875	126,875
Total				<u>\$ 865,983</u>	<u>\$ 625,693</u>

Year ending June 30:	Principal	Interest
2013	\$ 48,229	\$ 25,635
2014	45,960	20,352
2015	47,518	18,752
2016	49,174	17,168
2017	50,940	15,424
2018-22	262,065	51,666
2023-27	90,930	11,590
2028-30	30,877	1,870
Total	<u>\$ 625,693</u>	<u>\$ 162,457</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 8,710,000	\$	\$ 815,000	\$ 7,895,000	\$ 860,000
NMFA Loans Payable	675,134		49,441	625,693	48,229
Compensated absences	610,697	515,453	542,683	583,467	31,712
Total	<u>\$ 9,995,831</u>	<u>\$ 515,453</u>	<u>\$ 1,407,124</u>	<u>\$ 9,104,160</u>	<u>\$ 939,941</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

Interfund transfers were utilized by the County during the fiscal year as approved in the annual budget to transfer resources received in one fund and transferred to the proper fund for expenditures. Transfers made were as follows.

	Transfers in			Total
	Road Fund	Detention Construction Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$ 3,000,000	\$ 100,000	\$ 1,150,000	\$ 4,250,000
Non-Major Governmental Funds			1,650,000	1,650,000
Total	<u>\$ 3,000,000</u>	<u>\$ 100,000</u>	<u>\$ 2,800,000</u>	<u>\$ 5,900,000</u>

NOTE 11 – PRIOR PERIOD ADJUSTMENT – INFRASTRUCTURE

Due to a misapplication of GASB 34 standards in previous years, the County changed in its method of reporting infrastructure assets from the modified approach to the depreciation approach during 2012. The July 1, 2011, government-wide net assets are restated as follows to properly reflect infrastructure depreciation.

	Statement of Activities
Net Assets, June 30, 2011, as previously reported	\$ 237,517,248
Capital assets – infrastructure depreciation	(29,717,682)
Net Assets, July 1, 2011, as restated	<u>\$ 207,799,566</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 12 – CONTINGENT LIABILITIES

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

Lawsuits – The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County’s counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 13 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County belongs to the New Mexico County Insurance Authority (NMCIA), a public entity risk pool currently operating as a common risk management and insurance program for its member counties. The County pays an annual premium to NMCIA for all of its general and workers' compensation insurance coverage. The agreement for formation of the NMCIA provides that NMCIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of amounts that range from \$150,000 for property to \$300,000 for other liability claims.

The County carries commercial insurance for all other risks of loss including property, liability, and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The County has established a self-insured dental program for employees, employees’ spouses, and their dependents. Payments are made to Dental Source for 100 percent of preventative services, 80 percent of basic services, and 50 percent 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 \$2,335,828 and administrative fees of \$3,892.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 14 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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

Funding Policy. Plan members are required to contribute 15.65% for municipal plan members and 16.30% for law enforcement employees (ranges from 3.83% to 16.65% depending upon the plan – i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The County is required to contribute 18.50% for law enforcement plan members; 11.65% for all other plan members (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ended June 30, 2012, 2011, and 2010 were \$1.6 million, \$1.2 million and \$1.3 million, respectively, which were equal to the amount of the required contributions for each year.

NOTE 15 – POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

**NOTE 15 – POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN
(Cont’d)**

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee is required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
2013	2.000%	1.000%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.292% of each participating employee’s annual salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal year ending June 30, 2013 the contributions rates for both employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
2013	2.500%	1.250%

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

**NOTE 15 – POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN
(Concl'd)**

Also, employers joining the program after January 1, 1998 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The County's contributions to the RHCA for the years ended June 30, 2012, 2011 and 2010 were \$165,215, \$142,247 and \$103,930, respectively, which equal the required contributions for each year.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - DETENTION CONSTRUCTION
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	1,367,000	1,367,000	1,274,397	(92,603)
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	1,367,000	1,367,000	1,274,397	(92,603)
Cash balance carryforward	191,220	588,210		
Total	\$ 1,558,220	\$ 1,955,210		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	1,658,220	2,055,210	2,935,597	(880,387)
Debt service -				
Principal				
Interest and fees				
Total expenditures	1,658,220	2,055,210	2,935,597	(880,387)
Other financing sources (uses):				
Transfers in	100,000	100,000	100,000	
Transfers out				
Total other financing sources (uses)	100,000	100,000	100,000	
Change in fund balance - budgetary basis			(1,561,200)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			260,322	
Expenditure accruals			454,000	
Change in fund balance - GAAP basis			\$ (846,878)	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - COUNTY PERMANENT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward				
Total	\$	\$		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures				
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$	

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**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2012**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,145,683	\$ 20,630	\$ 503,844	\$ 4,670,157
Cash and cash equivalents-restricted		1,000,000		1,000,000
Investments	6,868,414	4,202,292		11,070,706
Receivables	872,571	391,034		1,263,605
Prepaid items	36,864			36,864
Total assets	<u><u>\$ 11,923,532</u></u>	<u><u>\$ 5,613,956</u></u>	<u><u>\$ 503,844</u></u>	<u><u>\$ 18,041,332</u></u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 664,486	\$	\$ 163,752	\$ 828,238
Accrued payroll	680			680
Deferred revenue	92,543			92,543
Total liabilities	<u><u>757,709</u></u>		<u><u>163,752</u></u>	<u><u>921,461</u></u>
Fund balances:				
Nonspendable	36,864			36,864
Restricted	8,521,738	5,613,956	315,151	14,450,845
Committed	2,607,221		24,941	2,632,162
Total fund balances	<u><u>11,165,823</u></u>	<u><u>5,613,956</u></u>	<u><u>340,092</u></u>	<u><u>17,119,871</u></u>
Total liabilities and fund balances	<u><u>\$ 11,923,532</u></u>	<u><u>\$ 5,613,956</u></u>	<u><u>\$ 503,844</u></u>	<u><u>\$ 18,041,332</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2012**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:				
Property taxes	\$ 1,199,275	\$	\$	\$ 1,199,275
Gross receipts taxes	774,925	2,307,266		3,082,191
Other taxes	261,682			261,682
State grants and contributions	2,626,731			2,626,731
Federal grants and contributions	504,497			504,497
Charges for services	72,719			72,719
Investment income	20,341			20,341
Contributions	1,000,000			1,000,000
Other	382,220			382,220
Total revenues	<u>6,842,390</u>	<u>2,307,266</u>	<u></u>	<u>9,149,656</u>
Expenditures:				
Current -				
General government	279,543			279,543
Public safety	1,479,970			1,479,970
Public works	1,097,620			1,097,620
Health and welfare	2,204,733			2,204,733
Capital outlay	1,426,240		856,680	2,282,920
Debt service -				
Principal	49,441	815,000		864,441
Interest and fees	19,454	324,051		343,505
Total expenditures	<u>6,557,001</u>	<u>1,139,051</u>	<u>856,680</u>	<u>8,552,732</u>
Excess (deficiency) of revenues over expenditures	<u>285,389</u>	<u>1,168,215</u>	<u>(856,680)</u>	<u>596,924</u>
Other financing sources (uses):				
Transfer in	150,000	2,150,000	500,000	2,800,000
Transfer out		(1,650,000)		(1,650,000)
Total other financing sources (uses):	<u>150,000</u>	<u>500,000</u>	<u>500,000</u>	<u>1,150,000</u>
Changes in fund balances	<u>435,389</u>	<u>1,668,215</u>	<u>(356,680)</u>	<u>1,746,924</u>
Fund balances, beginning of year	10,730,434	3,945,741	696,772	15,372,947
Fund balances, end of year	<u>\$ 11,165,823</u>	<u>\$ 5,613,956</u>	<u>\$ 340,092</u>	<u>\$ 17,119,871</u>

SPECIAL REVENUE FUNDS

The following special revenue funds are maintained by the County.

Farm and Range – To account for the Farm and Range Improvement Act which directs the county commissioners to expend funds that are derived from the state's share of the 1934 Taylor Grazing Act public lands grazing district fees paid to the Bureau of Land Management. The funds may be used for the purposes of soil and water conservation, control of rodents and predatory animals, extermination of poisonous noxious weeds, and construction and maintenance of secondary roads within the County. (6-11-6 NMSA 1978)

Recreation – 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 of Dunken, East Grand Plains, Penasco, Midway, Berrendo, Sierra, Rio Felix and Chaves County Fire District #8. Financing is provided by allotments from the State of New Mexico and other miscellaneous sources. (Ordinance #41, 11-24-93)

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

Public Safety Grant – To account for revenues and expenditures for the D.A.R.E. and Narcotics grant programs. (Resolution R-92-35)

DWI Grant – To account for revenues and expenditures from DWI grants in accordance with guidelines for DFA quarterly reporting. (Resolution 96-42)

Sheriff Forfeiture – To account for money that is received from the US Marshal's Office from locally confiscated monies acquired during arrests of individual for trafficking and in possession of illegal drugs. (Resolution R-06-041)

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

Hospital Aged Accounts – To account for the sale of Eastern New Mexico Medical Center, the County receives 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. (Resolution R-98-33)

County Income – 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)

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

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

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

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

Other Grants and Contracts – To account for revenues and expenditures to assist in meeting the cost of grants and projects. (Resolution 95-41)

CDBG – 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)

Restricted Health Services – To account for direct health related contributions and expenditures based on a memorandum of understanding with Eastern New Mexico Medical Center. (Resolution R-10-049)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012**

	<u>Farm and Range</u>	<u>Recreation</u>	<u>Dunken Fire District</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,568	\$ 3,161	\$ 127,185
Investments			
Receivables			
Prepaid items			3,336
Total assets	<u>\$ 4,568</u>	<u>\$ 3,161</u>	<u>\$ 130,521</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 1,614
Accrued payroll			
Deferred revenue			
Total liabilities			<u>1,614</u>
Fund balances:			
Nonspendable			3,336
Restricted	4,568	3,161	125,571
Committed			
Total fund balances	<u>4,568</u>	<u>3,161</u>	<u>128,907</u>
 Total liabilities and fund balances	 <u>\$ 4,568</u>	 <u>\$ 3,161</u>	 <u>\$ 130,521</u>

East Grand Plains Fire District	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District	Rio Felix Fire District
\$ 297,164	\$ 155,416	\$ 150,148	\$ 242,274	\$ 257,828	\$ 261,546
4,668	3,481	4,403	369 4,223	5,259	2,794
<u>\$ 301,832</u>	<u>\$ 158,897</u>	<u>\$ 154,551</u>	<u>\$ 246,866</u>	<u>\$ 263,087</u>	<u>\$ 264,340</u>
\$ 192,346	\$ 473	\$ 5,913	\$ 3,383	\$ 66,487	\$ 1,917
<u>192,346</u>	<u>473</u>	<u>5,913</u>	<u>3,383</u>	<u>66,487</u>	<u>1,917</u>
4,668 104,818	3,481 154,943	4,403 144,235	4,223 239,260	5,259 191,341	2,794 259,629
<u>109,486</u>	<u>158,424</u>	<u>148,638</u>	<u>243,483</u>	<u>196,600</u>	<u>262,423</u>
<u>\$ 301,832</u>	<u>\$ 158,897</u>	<u>\$ 154,551</u>	<u>\$ 246,866</u>	<u>\$ 263,087</u>	<u>\$ 264,340</u>

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012**

	<u>Chaves County Fire District #8</u>	<u>Fire and Ambulance Excise Tax</u>	<u>Law Enforcement Grant</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 18,098	\$	\$ 30,038
Investments		3,387,768	
Receivables	7,015	206,396	7,643
Prepaid items	3,354		
Total assets	<u><u>\$ 28,467</u></u>	<u><u>\$ 3,594,164</u></u>	<u><u>\$ 37,681</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,513	\$	\$ 6,008
Accrued payroll			
Deferred revenue	1,309		
Total liabilities	<u><u>3,822</u></u>		<u><u>6,008</u></u>
Fund balances:			
Nonspendable	3,354		
Restricted	21,291	3,594,164	31,673
Committed			
Total fund balances	<u><u>24,645</u></u>	<u><u>3,594,164</u></u>	<u><u>31,673</u></u>
 Total liabilities and fund balances	 <u><u>\$ 28,467</u></u>	 <u><u>\$ 3,594,164</u></u>	 <u><u>\$ 37,681</u></u>

<u>Public Safety Grant</u>	<u>DWI Grant</u>	<u>Sheriff Forfeiture</u>	<u>Correction</u>	<u>Environmental</u>	<u>Flood Control</u>
\$ 83,627	\$ 264,329	\$ 53,985	\$ 333,570	\$ 209,169	\$
2,759	51,609		38,267	40,651	1,533,434
	472			84	104,439
<u>\$ 86,386</u>	<u>\$ 316,410</u>	<u>\$ 53,985</u>	<u>\$ 371,837</u>	<u>\$ 249,904</u>	<u>\$ 1,641,935</u>
\$ 1,765	\$ 48,389	\$	\$ 18,033	\$ 17,517	\$ 43,274
	50		148	108	342
<u>1,765</u>	<u>48,439</u>		<u>18,181</u>	<u>17,625</u>	<u>91,234</u>
	472			84	4,062
84,621	267,499		353,656	232,195	1,503,023
<u>84,621</u>	<u>267,971</u>	<u>53,985</u>	<u>353,656</u>	<u>232,279</u>	<u>1,507,085</u>
<u>\$ 86,386</u>	<u>\$ 316,410</u>	<u>\$ 53,985</u>	<u>\$ 371,837</u>	<u>\$ 249,904</u>	<u>\$ 1,641,935</u>

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012**

	<u>Road Special Construction</u>	<u>Clerk Recording and Filing</u>	<u>Property Valuation</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 369,836	\$ 179,933	\$ 429,393
Investments			
Receivables	57,500		
Prepaid items			728
Total assets	<u>\$ 427,336</u>	<u>\$ 179,933</u>	<u>\$ 430,121</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,089	\$ 1,245	\$ 1,089
Accrued payroll			32
Deferred revenue			
Total liabilities	<u>1,245</u>	<u>1,245</u>	<u>1,121</u>
Fund balances:			
Nonspendable			728
Restricted			428,272
Committed	427,336	178,688	
Total fund balances	<u>427,336</u>	<u>178,688</u>	<u>429,000</u>
 Total liabilities and fund balances	 <u>\$ 427,336</u>	 <u>\$ 179,933</u>	 <u>\$ 430,121</u>

<u>Other Grants and Contracts</u>	<u>CDBG</u>	<u>Restricted Health Services</u>	<u>Totals</u>
\$ 572,415	\$ 102,000	\$	\$ 4,145,683
105,573	250,350	1,947,212	6,868,414
<u>677,988</u>	<u>352,350</u>	<u>1,947,212</u>	<u>11,923,532</u>
\$ 16,372	\$ 236,148	\$	\$ 664,486
<u>16,372</u>	<u>236,148</u>		680
			<u>92,543</u>
			<u>757,709</u>
			36,864
661,616	116,202		8,521,738
<u>661,616</u>	<u>116,202</u>	<u>1,947,212</u>	<u>2,607,221</u>
		<u>1,947,212</u>	<u>11,165,823</u>
<u>\$ 677,988</u>	<u>\$ 352,350</u>	<u>\$ 1,947,212</u>	<u>\$ 11,923,532</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012**

	Farm and Range	Recreation	Dunken Fire District
Revenues:			
Property taxes	\$	\$	\$
Gross receipts taxes			
Other taxes			
State grants and contributions			70,092
Federal grants and contributions	47,947		
Charges for services			
Investment income			
Contributions			
Other			25,021
Total revenues	47,947		95,113
Expenditures:			
Current -			
General government			
Public safety			36,662
Public works			
Health and welfare	47,500		
Capital outlay			
Debt service -			
Principal			
Interest and fees			
Total expenditures	47,500		36,662
Excess (deficiency) of revenues over expenditures	447		58,451
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	447		58,451
Fund balances, beginning of year	4,121	3,161	70,456
Fund balances, end of year	\$ 4,568	\$ 3,161	\$ 128,907

<u>East Grand Plains Fire District</u>	<u>Penasco Fire District</u>	<u>Midway Fire District</u>	<u>Berrendo Fire District</u>	<u>Sierra Fire District</u>	<u>Rio Felix Fire District</u>
\$	\$	\$	\$	\$	\$
155,777	115,487	155,609	183,262	242,241	54,996
	1,070	82	1,235	139,994	57
<u>155,777</u>	<u>116,557</u>	<u>155,691</u>	<u>184,497</u>	<u>382,235</u>	<u>55,053</u>
47,990	36,119	57,284	117,360	223,620	20,966
190,219		10,916	3,838	61,786	
26,851		6,225	10,456		
11,822		4,690	424		
<u>276,882</u>	<u>36,119</u>	<u>79,115</u>	<u>132,078</u>	<u>285,406</u>	<u>20,966</u>
<u>(121,105)</u>	<u>80,438</u>	<u>76,576</u>	<u>52,419</u>	<u>96,829</u>	<u>34,087</u>
<u>(121,105)</u>	<u>80,438</u>	<u>76,576</u>	<u>52,419</u>	<u>96,829</u>	<u>34,087</u>
230,591	77,986	72,062	191,064	99,771	228,336
<u>\$ 109,486</u>	<u>\$ 158,424</u>	<u>\$ 148,638</u>	<u>\$ 243,483</u>	<u>\$ 196,600</u>	<u>\$ 262,423</u>

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012**

	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
Revenues:			
Property taxes	\$	\$	\$
Gross receipts taxes		558,317	
Other taxes			
State grants and contributions	86,369		42,800
Federal grants and contributions			
Charges for services			
Investment income		20,338	
Contributions			
Other	2,018	40,243	
Total revenues	88,387	618,898	42,800
Expenditures:			
Current -			
General government			
Public safety	85,607		48,001
Public works			
Health and welfare			
Capital outlay		295,910	
Debt service -			
Principal	5,909		
Interest and fees	2,518		
Total expenditures	94,034	295,910	48,001
Excess (deficiency) of revenues over expenditures	(5,647)	322,988	(5,201)
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	(5,647)	322,988	(5,201)
Fund balances, beginning of year	30,292	3,271,176	36,874
Fund balances, end of year	\$ 24,645	\$ 3,594,164	\$ 31,673

<u>Public Safety Grant</u>	<u>DWI Grant</u>	<u>Sheriff Forfeiture</u>	<u>Correction</u>	<u>Environmental</u>	<u>Flood Control</u>
\$	\$	\$	\$	\$	\$
				216,608	1,199,275
6,780	548,223		338,416		95,532
14,135					
<u>20,915</u>	<u>548,223</u>		<u>338,416</u>	<u>216,608</u>	<u>1,294,807</u>
20,381	446,490		339,490		898,109
7,475				227,589	25,662
<u>27,856</u>	<u>446,490</u>		<u>339,490</u>	<u>227,589</u>	<u>923,771</u>
<u>(6,941)</u>	<u>101,733</u>		<u>(1,074)</u>	<u>(10,981)</u>	<u>371,036</u>
			150,000		
			150,000		
<u>(6,941)</u>	<u>101,733</u>		<u>148,926</u>	<u>(10,981)</u>	<u>371,036</u>
91,562	166,238	53,985	204,730	243,260	1,136,049
<u>\$ 84,621</u>	<u>\$ 267,971</u>	<u>\$ 53,985</u>	<u>\$ 353,656</u>	<u>\$ 232,279</u>	<u>\$ 1,507,085</u>

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>Road Special Construction</u>	<u>Clerk Recording and Filing</u>	<u>Property Valuation</u>
Revenues:			
Property taxes	\$	\$	\$
Gross receipts taxes			
Other taxes			261,682
State grants and contributions			
Federal grants and contributions			
Charges for services		72,719	
Investment income	3		
Contributions			
Other	172,500		
Total revenues	<u>172,503</u>	<u>72,719</u>	<u>261,682</u>
Expenditures:			
Current -			
General government		92,949	186,594
Public safety			
Public works	199,511		
Health and welfare			
Capital outlay			
Debt service -			
Principal			
Interest and fees			
Total expenditures	<u>199,511</u>	<u>92,949</u>	<u>186,594</u>
Excess (deficiency) of revenues over expenditures	<u>(27,008)</u>	<u>(20,230)</u>	<u>75,088</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	<u>(27,008)</u>	<u>(20,230)</u>	<u>75,088</u>
Fund balances, beginning of year	454,344	198,918	353,912
Fund balances, end of year	<u>\$ 427,336</u>	<u>\$ 178,688</u>	<u>\$ 429,000</u>

<u>Other Grants and Contracts</u>	<u>CDBG</u>	<u>Restricted Health Services</u>	<u>Totals</u>
\$	\$	\$	\$ 1,199,275
			774,925
531,147			261,682
44,715	397,700		2,626,731
			504,497
			72,719
			20,341
		1,000,000	1,000,000
			382,220
<u>575,862</u>	<u>397,700</u>	<u>1,000,000</u>	<u>6,842,390</u>
			279,543
			1,479,970
			1,097,620
446,936	383,498	1,929,644	2,204,733
			1,426,240
			49,441
			19,454
<u>446,936</u>	<u>383,498</u>	<u>1,929,644</u>	<u>6,557,001</u>
<u>128,926</u>	<u>14,202</u>	<u>(929,644)</u>	<u>285,389</u>
			150,000
			150,000
<u>128,926</u>	<u>14,202</u>	<u>(929,644)</u>	<u>435,389</u>
532,690	102,000	2,876,856	10,730,434
<u>\$ 661,616</u>	<u>\$ 116,202</u>	<u>\$ 1,947,212</u>	<u>\$ 11,165,823</u>

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - FARM AND RANGE
 YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	46,000	46,000	47,947	1,947
Investment income				
Contributions				
Other				
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>47,947</u>	<u>1,947</u>
Cash balance carryforward	<u>2,000</u>	<u>2,000</u>		
Total	<u>\$ 48,000</u>	<u>\$ 48,000</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	48,000	48,000	47,500	500
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>48,000</u>	<u>48,000</u>	<u>47,500</u>	<u>500</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			447	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 447</u>	

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - RECREATION
 YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward				
Total	\$	\$		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures				
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - DUNKEN FIRE DISTRICT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	72,000	80,092	70,092	(10,000)
Investment income				
Contributions				
Other			25,021	25,021
Total revenues	72,000	80,092	95,113	15,021
Cash balance carryforward	16,900	18,808		
Total	\$ 88,900	\$ 98,900		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	88,900	98,900	36,662	62,238
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	88,900	98,900	36,662	62,238
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			58,451	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$ 58,451	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - EAST GRAND PLAINS FIRE DISTRICT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	122,748	154,650	155,777	1,127
Investment income				
Contributions				
Other				
Total revenues	<u>122,748</u>	<u>154,650</u>	<u>155,777</u>	<u>1,127</u>
Cash balance carryforward	<u>(20,708)</u>	<u>182,706</u>		
Total	<u>\$ 102,040</u>	<u>\$ 337,356</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	102,040	337,356	47,990	289,366
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal			26,851	(26,851)
Interest and fees			11,822	(11,822)
Total expenditures	<u>102,040</u>	<u>337,356</u>	<u>86,663</u>	<u>250,693</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			69,114	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals			<u>(190,219)</u>	
Change in fund balance - GAAP basis			<u>\$ (121,105)</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PENASCO FIRE DISTRICT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	74,000	104,542	115,487	10,945
Investment income				
Contributions				
Other		1,500	1,070	(430)
Total revenues	<u>74,000</u>	<u>106,042</u>	<u>116,557</u>	<u>10,515</u>
Cash balance carryforward	<u>66,273</u>	<u>78,831</u>		
Total	<u>\$ 140,273</u>	<u>\$ 184,873</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	140,273	184,873	36,119	148,754
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>140,273</u>	<u>184,873</u>	<u>36,119</u>	<u>148,754</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			80,438	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 80,438</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MIDWAY FIRE DISTRICT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	158,546	155,516	155,609	93
Investment income				
Contributions				
Other			82	82
Total revenues	158,546	155,516	155,691	175
Cash balance carryforward	(30,386)	(30,386)		
Total	\$ 128,160	\$ 125,130		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	128,160	125,130	57,284	67,846
Public works				
Culture and recreation				
Health and welfare				
Capital outlay			10,916	(10,916)
Debt service -				
Principal			6,225	(6,225)
Interest and fees			4,690	(4,690)
Total expenditures	128,160	125,130	79,115	46,015
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			76,576	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$ 76,576	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BERRENDO FIRE DISTRICT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	189,985	199,714	183,262	(16,452)
Investment income				
Contributions				
Other		1,240	1,235	(5)
Total revenues	<u>189,985</u>	<u>200,954</u>	<u>184,497</u>	<u>(16,457)</u>
Cash balance carryforward	<u>(29,051)</u>	<u>(17,796)</u>		
Total	<u>\$ 160,934</u>	<u>\$ 183,158</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	160,934	183,158	117,360	65,798
Public works				
Culture and recreation				
Health and welfare				
Capital outlay			3,838	(3,838)
Debt service -				
Principal			10,456	(10,456)
Interest and fees			424	(424)
Total expenditures	<u>160,934</u>	<u>183,158</u>	<u>132,078</u>	<u>51,080</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			52,419	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 52,419</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - SIERRA FIRE DISTRICT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	228,940	246,716	242,241	(4,475)
Investment income				
Contributions				
Other			139,994	139,994
Total revenues	<u>228,940</u>	<u>246,716</u>	<u>382,235</u>	<u>135,519</u>
Cash balance carryforward	<u>45,977</u>	<u>50,701</u>		
Total	<u>\$ 274,917</u>	<u>\$ 297,417</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	274,917	297,417	195,442	101,975
Public works				
Culture and recreation				
Health and welfare				
Capital outlay			61,786	(61,786)
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>274,917</u>	<u>297,417</u>	<u>257,228</u>	<u>40,189</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			125,007	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals			<u>(28,178)</u>	
Change in fund balance - GAAP basis			<u>\$ 96,829</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - RIO FELIX FIRE DISTRICT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	52,200	51,526	54,996	3,470
Investment income				
Contributions				
Other			57	57
Total revenues	52,200	51,526	55,053	3,527
Cash balance carryforward	139,430	141,104		
Total	\$ 191,630	\$ 192,630		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	191,630	192,630	20,966	171,664
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	191,630	192,630	20,966	171,664
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			34,087	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$ 34,087	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CHAVES COUNTY FIRE DISTRICT #8
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	76,000	93,210	86,369	(6,841)
Investment income				
Contributions				
Other			2,018	2,018
Total revenues	76,000	93,210	88,387	(4,823)
Cash balance carryforward	16,120	21,549		
Total	\$ 92,120	\$ 114,759		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	92,120	114,759	85,607	29,152
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal			5,909	(5,909)
Interest and fees			2,518	(2,518)
Total expenditures	92,120	114,759	94,034	20,725
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(5,647)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$ (5,647)	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - FIRE AND AMBULANCE EXCISE TAX
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	451,950	451,950	351,921	(100,029)
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income	30,000	30,000	20,338	(9,662)
Contributions				
Other			40,243	40,243
Total revenues	481,950	481,950	412,502	(69,448)
Cash balance carryforward	(346,450)	(185,950)		
Total	\$ 135,500	\$ 296,000		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	135,500	296,000	295,910	90
Debt service -				
Principal				
Interest and fees				
Total expenditures	135,500	296,000	295,910	90
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			116,592	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			206,396	
Expenditure accruals				
Change in fund balance - GAAP basis			\$ 322,988	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - LAW ENFORCEMENT GRANT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	42,800	42,800	42,800	
Investment income				
Contributions				
Other				
Total revenues	<u>42,800</u>	<u>42,800</u>	<u>42,800</u>	
Cash balance carryforward		<u>30,560</u>		
Total	<u>\$ 42,800</u>	<u>\$ 73,360</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	42,800	73,360	48,001	25,359
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>42,800</u>	<u>73,360</u>	<u>48,001</u>	<u>25,359</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(5,201)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ (5,201)</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY GRANT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental		20,920	20,915	(5)
Investment income				
Contributions				
Other				
Total revenues		<u>20,920</u>	<u>20,915</u>	<u>(5)</u>
Cash balance carryforward		<u>19,906</u>		
Total	<u>\$</u>	<u>\$ 40,826</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety		40,826	20,381	20,445
Public works				
Culture and recreation				
Health and welfare				
Capital outlay			7,475	(7,475)
Debt service -				
Principal				
Interest and fees				
Total expenditures		<u>40,826</u>	<u>27,856</u>	<u>12,970</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(6,941)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ (6,941)</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - DWI GRANT
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	514,669	484,139	530,973	46,834
Investment income				
Contributions				
Other				
Total revenues	<u>514,669</u>	<u>484,139</u>	<u>530,973</u>	<u>46,834</u>
Cash balance carryforward	<u>(72,328)</u>	<u>(35,268)</u>		
Total	<u>\$ 442,341</u>	<u>\$ 448,871</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	442,341	448,871	446,490	2,381
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>442,341</u>	<u>448,871</u>	<u>446,490</u>	<u>2,381</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			84,483	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			17,250	
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 101,733</u>	

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - SHERIFF FORFEITURE
 YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward				
Total	\$	\$		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures				
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CORRECTION
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	332,000	332,000	300,149	(31,851)
Investment income				
Contributions				
Other				
Total revenues	<u>332,000</u>	<u>332,000</u>	<u>300,149</u>	<u>(31,851)</u>
Cash balance carryforward	<u>(92,543)</u>	<u>(91,993)</u>		
Total	<u>\$ 239,457</u>	<u>\$ 240,007</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	489,457	490,007	339,490	150,517
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>489,457</u>	<u>490,007</u>	<u>339,490</u>	<u>150,517</u>
Other financing sources (uses):				
Transfers in	250,000	250,000	150,000	100,000
Transfers out				
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>	<u>150,000</u>	<u>100,000</u>
Change in fund balance - budgetary basis			110,659	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			38,267	
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 148,926</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ENVIRONMENTAL
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	240,700	241,200	175,957	(65,243)
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	240,700	241,200	175,957	(65,243)
Cash balance carryforward	33,261	32,261		
Total	\$ 273,961	\$ 273,461		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	273,961	273,461	227,589	45,872
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	273,961	273,461	227,589	45,872
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(51,632)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			40,651	
Expenditure accruals				
Change in fund balance - GAAP basis			\$ (10,981)	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - HOSPITAL AGED ACCOUNTS
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other	4,600	4,600	3,283	(1,317)
Total revenues	4,600	4,600	3,283	(1,317)
Cash balance carryforward				
Total	\$ 4,600	\$ 4,600		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	4,600	4,600	850	3,750
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	4,600	4,600	850	3,750
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			2,433	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance reported in the General Fund			(2,433)	
Change in fund balance - GAAP basis			\$	

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - COUNTY INCOME
 YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income	1,400,000	1,400,000	1,195,193	(204,807)
Contributions				
Other				
Total revenues	1,400,000	1,400,000	1,195,193	(204,807)
Cash balance carryforward	1,880,000	1,935,000		
Total	\$ 3,280,000	\$ 3,335,000		
Expenditures:				
Current -				
General government	\$	\$ 55,000	51,346	3,654
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures		55,000	51,346	3,654
Other financing sources (uses):				
Transfers in				
Transfers out	(3,280,000)	(3,280,000)	(4,180,000)	900,000
Total other financing sources (uses)	(3,280,000)	(3,280,000)	(4,180,000)	900,000
Change in fund balance - budgetary basis			(3,036,153)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance reported in the General Fund			3,036,153	
Change in fund balance - GAAP basis			\$	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - FLOOD CONTROL
YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:				
Property taxes	\$ 1,030,000	\$ 1,030,000	\$ 1,186,070	\$ 156,070
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	90,000	90,000	95,532	5,532
Investment income				
Contributions				
Other	5,000	5,000		(5,000)
Total revenues	<u>1,125,000</u>	<u>1,125,000</u>	<u>1,281,602</u>	<u>156,602</u>
Cash balance carryforward	<u>238,277</u>	<u>238,277</u>		
Total	<u>\$ 1,363,277</u>	<u>\$ 1,363,277</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works	1,187,577	1,363,277	898,109	465,168
Culture and recreation				
Health and welfare				
Capital outlay	175,700		25,662	(25,662)
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>1,363,277</u>	<u>1,363,277</u>	<u>923,771</u>	<u>439,506</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			357,831	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			13,205	
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 371,036</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD SPECIAL CONSTRUCTION
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income	4,000	4,000	3	(3,997)
Contributions				
Other	125,000	125,000	115,000	(10,000)
Total revenues	129,000	129,000	115,003	(13,997)
Cash balance carryforward	140,337	140,337		
Total	\$ 269,337	\$ 269,337		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works	269,337	269,337	199,511	69,826
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	269,337	269,337	199,511	69,826
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(84,508)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			57,500	
Expenditure accruals				
Change in fund balance - GAAP basis			\$ (27,008)	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CLERK RECORDING AND FILING
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services	37,000	37,000	72,719	35,719
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	37,000	37,000	72,719	35,719
Cash balance carryforward	127,000	127,000		
Total	\$ 164,000	\$ 164,000		
Expenditures:				
Current -				
General government	\$ 164,000	\$ 164,000	92,949	71,051
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	164,000	164,000	92,949	71,051
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(20,230)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$ (20,230)	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PROPERTY VALUATION
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes	220,000	220,000	261,682	41,682
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	220,000	220,000	261,682	41,682
Cash balance carryforward	6,316	6,316		
Total	\$ 226,316	\$ 226,316		
Expenditures:				
Current -				
General government	\$ 186,316	\$ 226,316	186,594	39,722
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	186,316	226,316	186,594	39,722
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			75,088	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$ 75,088	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - OTHER GRANTS AND CONTRACTS
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	245,543	746,343	425,573	(320,770)
Investment income			44,715	44,715
Contributions				
Other				
Total revenues	245,543	746,343	470,288	(276,055)
Cash balance carryforward	(559)	2,941		
Total	\$ 244,984	\$ 749,284		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	244,984	749,284	446,936	302,348
Debt service -				
Principal				
Interest and fees				
Total expenditures	244,984	749,284	446,936	302,348
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			23,352	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			105,574	
Expenditure accruals				
Change in fund balance - GAAP basis			\$ 128,926	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CDBG
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental	400,000	400,000	147,350	(252,650)
Investment income				
Contributions				
Other				
Total revenues	400,000	400,000	147,350	(252,650)
Cash balance carryforward				
Total	\$ 400,000	\$ 400,000		
Expenditures:				
Current -				
General government				
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	400,000	400,000	147,350	252,650
Debt service -				
Principal				
Interest and fees				
Total expenditures	400,000	400,000	147,350	252,650
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals, net of prior year amounts			250,350	
Expenditure accruals, net of prior year amounts			(236,148)	
Change in fund balance - GAAP basis			\$ 14,202	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - RESTRICTED HEALTH SERVICES
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions	1,000,000	1,000,000	1,000,000	
Other				
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	
Cash balance carryforward	<u>500,000</u>	<u>844,324</u>		
Total	<u>\$ 1,500,000</u>	<u>\$ 1,844,324</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	1,500,000	1,844,324	1,844,311	13
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>1,500,000</u>	<u>1,844,324</u>	<u>1,844,311</u>	<u>13</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(844,311)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals			(85,333)	
Change in fund balance - GAAP basis			<u>\$ (929,644)</u>	

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DEBT SERVICE FUNDS

The following debt service funds are maintained by the County,

G.O. Bond – To account for 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. Authorization is by Chaves County Commission.

2007 Refunding Bonds – To account for funds for the refunding of New Mexico Gross Receipts Tax Revenue Bonds Series 2002. Authorization is by Chaves County Commission.

Revenue Bond #2 – To account for set aside pledged revenues deposited monthly into the Gross Receipts Tax Income Fund by the County Treasurer, and transferred, by the County Treasurer to the Debt Service Fund, Capital Projects Fund, Reserve Fund, and Extraordinary Redemption Fund. Authorization is by Chaves County Commission.

Revenue Bond Reserve – To account for a required bond covenant and is part of a bond ordinance. (Resolution R-02-14)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2012**

	G.O. Bond	2007 Refunding Bonds	Revenue Bond #2
<u>ASSETS</u>			
Cash and cash equivalents	\$ 440	\$ 20,190	\$
Cash and cash equivalents - restricted			
Investments			4,202,292
Receivables			391,034
Total assets	\$ 440	\$ 20,190	\$ 4,593,326
 <u>LIABILITIES AND FUND BALANCES</u>			
Fund balances:			
Restricted	\$ 440	\$ 20,190	\$ 4,593,326
Total fund balances	440	20,190	4,593,326
 Total liabilities and fund balances	\$ 440	\$ 20,190	\$ 4,593,326

<u>Revenue Bond Reserve</u>	<u>Totals</u>
\$ 1,000,000	\$ 20,630
	1,000,000
	4,202,292
	391,034
<u>\$ 1,000,000</u>	<u>\$ 5,613,956</u>

<u>\$ 1,000,000</u>	<u>\$ 5,613,956</u>
<u>1,000,000</u>	<u>5,613,956</u>
<u>\$ 1,000,000</u>	<u>\$ 5,613,956</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2012**

	G.O. Bond	2007 Refunding Bonds	Revenue Bond #2
Revenues:			
Gross receipts taxes	\$	\$	\$ 2,307,266
Total revenues	<u> </u>	<u> </u>	<u>2,307,266</u>
Expenditures:			
Debt service -			
Principal		815,000	
Interest and fees		324,051	
Total expenditures	<u> </u>	<u>1,139,051</u>	<u> </u>
Excess (deficiency) of revenues over expenditures	<u> </u>	<u>(1,139,051)</u>	<u>2,307,266</u>
Other financing sources (uses):			
Transfers in		1,150,000	
Transfers out			(1,650,000)
Total other financing sources (uses):	<u> </u>	<u>1,150,000</u>	<u>(1,650,000)</u>
Changes in fund balances	<u> </u>	<u>10,949</u>	<u>657,266</u>
Fund balances, beginning of year	440	9,241	3,936,060
Fund balances, end of year	<u>\$ 440</u>	<u>\$ 20,190</u>	<u>\$ 4,593,326</u>

Revenue Bond Reserve	Totals
<u>\$</u>	<u>\$ 2,307,266</u>
	<u>2,307,266</u>
	815,000
	324,051
	<u>1,139,051</u>
	1,168,215
1,000,000	2,150,000
	(1,650,000)
<u>1,000,000</u>	<u>500,000</u>
1,000,000	1,668,215
	3,945,741
<u>\$ 1,000,000</u>	<u>\$ 5,613,956</u>

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - G.O. BOND
 YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward				
Total	\$	\$		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures				
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$	

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - 2007 REFUNDING BONDS
 YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward	(9,323)	(9,323)		
Total	<u>\$ (9,323)</u>	<u>\$ (9,323)</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal	815,000	815,000	815,000	
Interest and fees	325,678	325,678	324,051	1,627
Total expenditures	<u>1,140,678</u>	<u>1,140,678</u>	<u>1,139,051</u>	<u>1,627</u>
Other financing sources (uses):				
Transfers in	1,150,000	1,150,000	1,150,000	
Transfers out				
Total other financing sources (uses)	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	
Change in fund balance - budgetary basis			10,949	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 10,949</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - REVENUE BOND #2
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes		2,262,800	1,916,232	(346,568)
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues		2,262,800	1,916,232	(346,568)
Cash balance carryforward		(112,800)		
Total	\$	\$ 2,150,000		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures				
Other financing sources (uses):				
Transfers in				
Transfers out		(2,150,000)	(1,650,000)	(500,000)
Total other financing sources (uses)		(2,150,000)	(1,650,000)	(500,000)
Change in fund balance - budgetary basis			266,232	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals			391,034	
Expenditure accruals				
Change in fund balance - GAAP basis			\$ 657,266	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - REVENUE BOND RESERVE
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward				
Total	\$	\$		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures				
Other financing sources (uses):				
Transfers in			1,000,000	(1,000,000)
Transfers out				
Total other financing sources (uses)			1,000,000	(1,000,000)
Change in fund balance - budgetary basis			1,000,000	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$ 1,000,000	

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CAPITAL PROJECTS FUNDS

The following capital projects funds are maintained by the County.

Emergency Capital Outlay – To account for emergencies, surrounding local government emergency services, and capital projects and purchases. (Ordinance #34, 7-1-91)

Admin Center Construction – To account for the construction of the new administrative complex. Authorization is by Chaves County Commission.

Courthouse Construction – To account for the remodeling of the Courthouse. Authorization is by Chaves County Commission.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012**

	<u>Emergency Capital Outlay</u>	<u>Admin Center Construction</u>	<u>Courthouse Construction</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 478,903	\$ 682	\$ 24,259
Total assets	<u>\$ 478,903</u>	<u>\$ 682</u>	<u>\$ 24,259</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 163,752	\$	\$
Total liabilities	<u>163,752</u>	<u></u>	<u></u>
Fund balances:			
Restricted	315,151		
Committed		682	24,259
Total fund balances	<u>315,151</u>	<u>682</u>	<u>24,259</u>
Total liabilities and fund balances	<u>\$ 478,903</u>	<u>\$ 682</u>	<u>\$ 24,259</u>

Totals

\$ 503,844
\$ 503,844

\$ 163,752
163,752

315,151
24,941
340,092

\$ 503,844

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012**

	Emergency Capital Outlay	Admin Center Construction	Courthouse Construction
Expenditures:			
Capital outlay	\$ 856,680	\$	\$
Total expenditures	<u>856,680</u>		
Excess (deficiency) of revenues over expenditures	<u>(856,680)</u>		
Other financing sources (uses):			
Transfers in	500,000		
Total other financing sources (uses):	<u>500,000</u>		
Changes in fund balances	<u>(356,680)</u>		
Fund balances, beginning of year	671,831	682	24,259
Fund balances, end of year	<u>\$ 315,151</u>	<u>\$ 682</u>	<u>\$ 24,259</u>

Totals

\$ 856,680
856,680

(856,680)

500,000

500,000

(356,680)

696,772

\$ 340,092

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - EMERGENCY CAPITAL OUTLAY
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward	(138,850)	(13,850)		
Total	\$ (138,850)	\$ (13,850)		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	861,150	986,150	692,928	293,222
Debt service -				
Principal				
Interest and fees				
Total expenditures	861,150	986,150	692,928	293,222
Other financing sources (uses):				
Transfers in	1,000,000	1,000,000	500,000	500,000
Transfers out				
Total other financing sources (uses)	1,000,000	1,000,000	500,000	500,000
Change in fund balance - budgetary basis			(192,928)	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals			(163,752)	
Change in fund balance - GAAP basis			\$ (356,680)	

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - ADMIN CENTER CONSTRUCTION
 YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward				
Total	\$	\$		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures				
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - COURTHOUSE CONSTRUCTION
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward				
Total	\$	\$		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures				
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			\$	

INTERNAL SERVICE FUND

Internal Service - to account for activities related to the County's purchase of bulk supplies at a discount which is then transferred to the departments that need the supplies.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - INTERNAL SERVICE
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Operating revenues:				
Sale of supplies	\$ 79,000	\$ 68,300	\$ 44,887	\$ 23,413
Total operating revenues	<u>79,000</u>	<u>68,300</u>	<u>44,887</u>	<u>\$ 23,413</u>
Cash balance carryforward		21,400		
Total	<u>\$ 79,000</u>	<u>\$ 89,700</u>		
Operating expenses:				
General and administrative	\$	\$		
Personnel services				
Contractual services				
Supplies and purchased power	79,000	89,700		89,700
Maintenance and materials				
Utilities				
Miscellaneous				
Total operating expenses	<u>79,000</u>	<u>89,700</u>		<u>89,700</u>
Operating income (loss)	<u>(67,660)</u>	<u>(67,660)</u>	44,887	113,113
Non-operating revenues				
Operating grants				
Interest income				
Interest expense				
Miscellaneous				
Total non-operating revenues (expenses)				
Change in fund balance - Budgetary basis			44,887	
Reconciliation to change in fund balance-GAAP basis:				
Revenue accruals				
Expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 44,887</u>	

AGENCY FUND

Treasurer's Fund - To account for collections and payment to the County and other recipient entities of property taxes, interest and penalties and other taxes billed and collected by the County on their behalf.

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
 YEAR ENDED JUNE 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>TREASURER'S FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 589,535	\$ 10,414,217	\$ 10,561,618	\$ 442,134
Taxes receivable	<u>1,673,183</u>	<u>10,480,142</u>	<u>10,638,463</u>	<u>1,514,862</u>
Total assets	<u>\$ 2,262,718</u>	<u>\$ 20,894,359</u>	<u>\$ 21,200,081</u>	<u>\$ 1,956,996</u>
<u>Liabilities</u>				
Deposits held for others	\$ 107,282	\$ 119,603	\$ 162,942	\$ 63,943
Due to other taxing entities	<u>2,155,436</u>	<u>20,774,756</u>	<u>21,037,139</u>	<u>1,893,053</u>
Total liabilities	<u>\$ 2,262,718</u>	<u>\$ 20,894,359</u>	<u>\$ 21,200,081</u>	<u>\$ 1,956,996</u>

OTHER SUPPLEMENTARY INFORMATION

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**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2012**

	Account Type	Total Deposits and Investments	Reconciling Items	Reconciled Balance
James Polk Stone Community Bank, interest bearing	Checking	\$ 6,894,336	\$ (1,671,077)	\$ 5,223,259
James Polk Stone Community Bank, interest bearing	Certificates of Deposit	500,000		500,000
James Polk Stone Community Bank, interest bearing	Checking	39,709	(35,700)	4,009
James Polk Stone Community Bank, non-interest bearing	Checking	86,965	(4,872)	82,093
James Polk Stone Community Bank, interest bearing	Checking	369,836		369,836
James Polk Stone Community Bank, non-interest bearing	Checking	1,947,212		1,947,212
Bank of the Southwest, interest bearing	Certificates of Deposit	500,000		500,000
Bank of the Southwest, interest bearing	Certificates of Deposit	500,000		500,000
Cutwater Asset Management, interest bearing	FFCB	1,120,022		1,120,022
Cutwater Asset Management, interest bearing	FHLB	11,880,409		11,880,409
Cutwater Asset Management, interest bearing	FHLMC	5,238,790		5,238,790
Cutwater Asset Management, interest bearing	FNMA	20,444,755		20,444,755
Cutwater Asset Management, interest bearing	Corporate	12,954,069		12,954,069
Cutwater Asset Management, interest bearing	Money Market	149,203		149,203
Cutwater Asset Management, interest bearing	Treasury Notes	12,978,264		12,978,264
Cutwater Asset Management, interest bearing	U.S. Agency	1,009,208		1,009,208
First America Bank, interest bearing	Certificates of Deposit	500,000		500,000
NM State Investment Pool, interest bearing	State Treasurer LGIP	7,883,209		7,883,209
Pioneer Bank, interest bearing	Certificates of Deposit	500,000		500,000
Pioneer Bank, non-interest bearing	Checking	1,725		1,725
Pioneer Bank, non-interest bearing	Checking	86,468	(24,250)	62,218
Washington Federal, interest bearing	Money Market	506,650		506,650
Wells Fargo/Advisors, interest bearing	Certificates of Deposit	500,000		500,000
Wells Fargo/Advisors, non-interest bearing	Checking	100,000		100,000
		<u>\$ 86,690,830</u>	<u>\$ (1,735,899)</u>	<u>\$ 84,954,931</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2012**

	James Polk Community Bank	Pioneer Bank	Bank of the Southwest	First America Bank	Wells Fargo	Cutwater Asset Management	Washington Federal	Total
Bank Accounts:								
Checking accounts	\$ 9,338,058	\$ 88,193	\$	\$	\$ 100,000	\$	\$	\$ 9,526,251
Savings accounts						149,203	506,650	655,853
Certificates of deposit	500,000	500,000	1,000,000	500,000	500,000			3,000,000
Total amount of deposits	<u>9,838,058</u>	<u>588,193</u>	<u>1,000,000</u>	<u>500,000</u>	<u>600,000</u>	<u>149,203</u>	<u>506,650</u>	<u>13,182,104</u>
Less: Dodd-Frank Act coverage		88,193			100,000			188,193
Less: FDIC coverage	250,000	250,000	250,000	250,000	250,000	149,203	250,000	1,649,203
Total uninsured public funds	<u>9,588,058</u>	<u>250,000</u>	<u>750,000</u>	<u>250,000</u>	<u>250,000</u>	<u>149,203</u>	<u>256,650</u>	<u>11,344,708</u>
Collateral requirements (Per 6-10-10 & 6-10-17, NMSA 1978):								
50% of uninsured time and demand accounts	4,794,029	125,000	375,000	125,000	125,000		128,325	5,672,354
Total collateral required	<u>4,794,029</u>	<u>125,000</u>	<u>375,000</u>	<u>125,000</u>	<u>125,000</u>		<u>128,325</u>	<u>5,672,354</u>
Pledged collateral at fair market value:								
<i>Type</i>	<i>Description</i>	<i>Maturity</i>	<i>CUSIP Number</i>					
Note	FNMA Call Only 8/28/12 (1)	8/28/2014	3135G0CN1	1,500,771				
Note	FNMA Call Only 12/6/12 (1)	12/6/2016	3136FTRJ0	2,007,428				
Note	FNMA Call Qrtly (1)	6/5/2017	3136G0KE0	1,003,099				
Bond	Los Alamos NM Public Sch Dist. (1)	8/1/2014	54422NAV8	317,853				
Bond	Los Alamos NM Public Sch Dist. (1)	8/1/2015	54422NBT2	520,885				
Bond	Los Alamos NM Public Sch Dist. (1)	8/1/2015	54422NDD5	312,564				
Bond	Pojoaque Vy Public Sch Dist. NM (1)	8/1/2012	73085PAM1	200,466				
Bond	Sandoval Cnty NM BQ Nonc (1)	8/1/2014	80004PDA7	421,209				
Note	FHLMC 1 Yr Cmt (2)	11/1/2034	782804				231,256	
Bond	Belen NM Cons Sch Dist (2)	8/1/2020	077581MQ6		192,596			
Note	FHLMC Gold PC A94288 (2)	10/1/2040	312942XR1				786,326	
Note	FHLB Letter of Credit (2)	6/7/2013	N/A		375,000			
Note	FNMS (2)	1/1/2036	31371MNG8			147,150		
Note	FNMS (2)	4/1/2036	31371MSH1			277,139		
Note	FNMS (2)	4/1/2037	31412FMN0			346,766		
Total collateral				<u>6,284,275</u>	<u>231,256</u>	<u>375,000</u>	<u>192,596</u>	<u>771,055</u>
Over / (under) secured	<u>\$ 1,490,246</u>	<u>\$ 106,256</u>	<u>\$</u>	<u>\$ 67,596</u>	<u>\$ 646,055</u>	<u>\$</u>	<u>\$ 658,001</u>	<u>\$ 2,968,154</u>
Custodial Credit Risk:								
Insured	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 149,203	\$ 250,000	\$ 1,649,203
Collateralized with securities held by pledging financial institution's trust department		338,193	750,000					1,088,193
Uninsured and uncollateralized								
Total deposits	<u>\$ 250,000</u>	<u>\$ 588,193</u>	<u>\$ 1,000,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 149,203</u>	<u>\$ 250,000</u>	<u>\$ 2,737,396</u>

Location of collateral:
(1) The Independent Bankers Bank, Irving, TX
(2) Federal Home Loan Bank, Dallas, TX

**STATE OF NEW MEXICO
CHAVES COUNTY
TAX ROLL RECONCILIATION OF CHANGES IN THE COUNTY
TREASURER'S PROPERTY TAX RECEIVABLE
YEAR ENDED JUNE 30, 2012**

Property taxes receivable, beginning of year	\$	2,433,197
Changes to Tax Roll:		
Net taxes charged to Treasurer for fiscal year		28,178,714
Adjustments:		
Increases in taxes receivable		143,440
		30,755,351
Total receivables prior to collections		30,755,351
Collections for fiscal year ended June 30, 2012		(28,438,656)
		\$ 2,316,695
Property taxes receivable, end of year	\$	

Property taxes receivable as of year end,
Property taxes receivable by year:

	2002	3,117
	2003	4,268
	2004	6,709
	2005	19,254
	2006	21,167
	2007	20,812
	2008	425,471
	2009	144,143
	2010	505,819
	2011	1,165,935
		1,165,935
Total taxes receivable, net	\$	2,316,695

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE
YEAR ENDED JUNE 30, 2012**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Chaves County:						
County Operational Non-Res.						
2002-2010	\$ 33,768,734	\$ 5,760	\$ 33,476,974	\$ 5,760	\$ 33,476,974	\$ 291,760
2011	4,643,824	4,506,304	4,506,304	4,506,304	4,506,304	137,520
Total	38,412,558	4,512,064	37,983,278	4,512,064	37,983,278	429,280
County Operational Res.						
2002-2010	25,003,270		24,910,441		24,910,441	92,829
2011	3,528,219	3,352,987	3,352,987	3,352,987	3,352,987	175,232
Total	28,531,489	3,352,987	28,263,428	3,352,987	28,263,428	268,061
County Debt Service						
2002-2010	350,708	15	350,652	15	350,652	56
2011						
Total	350,708	15	350,652	15	350,652	56
Total Chaves County	\$ 67,294,755	\$ 7,865,066	\$ 66,597,358	\$ 7,865,066	\$ 66,597,358	\$ 697,397
State of New Mexico:						
State Debt						
2002-2010	\$ 9,210,342	\$ 1,288,627	\$ 9,145,415	\$ 1,288,627	\$ 9,145,415	\$ 64,927
2011	1,375,975	1,288,627	1,311,009	1,288,627	1,311,009	64,966
Total	10,586,317	1,288,627	10,456,424	1,288,627	10,456,424	129,893
Cattle						
2002-2010	423,749	43,182	416,863	43,182	416,863	6,886
2011	56,153	52,279	52,279	52,279	52,279	3,874
Total	479,902	95,461	469,142	95,461	469,142	10,760
Horse						
2002-2010	21,458		21,148		21,148	310
2011	1,529	1,464	1,464	1,464	1,464	65
Total	22,987	1,464	22,612	1,464	22,612	375
Dairy						
2002-2010	1,241,471	15,142	1,229,999	15,142	1,229,999	11,472
2011	116,730	116,729	116,729	116,729	116,729	1
Total	1,358,201	131,871	1,346,728	131,871	1,346,728	11,473
Sheep and Goats						
2002-2010	27,577		27,086		27,086	491
2011	2,044	840	840	840	840	1,204
Total	29,621	840	27,926	840	27,926	1,695
Bison						
2002-2010	78	78	78	78	78	
2011						
Total	78	78	78	78	78	
Total State of New Mexico	\$ 12,477,106	\$ 1,518,341	\$ 12,322,910	\$ 1,518,341	\$ 12,322,910	\$ 154,196
Municipalities:						
City of Roswell Non-Res.						
2002-2010	\$ 11,902,899	\$ 1,668,601	\$ 11,845,431	\$ 1,668,601	\$ 11,845,431	\$ 57,468
2011	1,736,882	1,668,601	1,668,601	1,668,601	1,668,601	68,281
Total	13,639,781	1,668,601	13,514,032	1,668,601	13,514,032	125,749
City of Roswell Res.						
2002-2010	19,888,198		19,825,170		19,825,170	63,028
2011	2,756,626	2,624,176	2,624,176	2,624,176	2,624,176	132,450
Total	22,644,824	2,624,176	22,449,346	2,624,176	22,449,346	195,478
City of Roswell Debt Service						
2002-2010	6,072,167	13,648	6,049,321	13,648	6,049,321	22,846
2011	806,989	770,764	770,764	770,764	770,764	36,225
Total	6,879,156	784,412	6,820,085	784,412	6,820,085	59,071
Town of Lake Arthur Non-Res.						
2002-2010	8,128	5	8,123	5	8,123	5
2011	926	908	908	908	908	18
Total	9,054	913	9,031	913	9,031	23
Town of Lake Arthur Res.						
2002-2010	15,142	56	14,922	56	14,922	220
2011	2,168	1,930	1,930	1,930	1,930	238
Total	\$ 17,310	\$ 1,986	\$ 16,852	\$ 1,986	\$ 16,852	\$ 458

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Town of Hagerman Non-Res.	2002-2010	\$ 20,957	\$	\$ 20,803	\$	\$ 20,803	\$ 154
	2011	3,439	3,313	3,313	3,313	3,313	126
	Total	24,396	3,313	24,116	3,313	24,116	280
Town of Hagerman Res.	2002-2010	47,704		47,093		47,093	611
	2011	6,497	5,772	5,772	5,772	5,772	725
	Total	54,201	5,772	52,865	5,772	52,865	1,336
Town of Dexter Non-Res.	2002-2010	33,863	57	33,580	57	33,580	283
	2011	3,886	3,553	3,553	3,553	3,553	333
	Total	37,749	3,610	37,133	3,610	37,133	616
Town of Dexter Res.	2002-2010	51,028	110	50,835	110	50,835	193
	2011	7,407	6,969	6,969	6,969	6,969	438
	Total	58,435	7,079	57,804	7,079	57,804	631
Total Municipalities		\$ 43,364,906	\$ 5,099,862	\$ 42,981,264	\$ 5,099,862	\$ 42,981,264	\$ 383,642
School Districts:							
ENMU Non-Res.	2002-2010	\$ 3,186,466	\$ 778	\$ 3,158,694	\$ 778	\$ 3,158,694	\$ 27,772
	2011	438,561	426,043	426,043	426,043	426,043	12,518
	Total	3,625,027	426,821	3,584,737	426,821	3,584,737	40,290
ENMU Res.	2002-2010	3,363,521		3,351,082		3,351,082	12,439
	2011	475,848	452,329	452,329	452,329	452,329	23,519
	Total	3,839,369	452,329	3,803,411	452,329	3,803,411	35,958
ENMU Debt Service	2002-2010	9,430,750		9,373,696		9,373,696	57,054
	2011	1,335,114	1,281,678	1,281,678	1,281,678	1,281,678	53,436
	Total	10,765,864	1,281,678	10,655,374	1,281,678	10,655,374	110,490
NM Jr. College Non-Res.	2002-2010	1,094	1,094	1,094	1,094	1,094	
	2011	2,380	2,380	2,380	2,380	2,380	
	Total	3,474	3,474	3,474	3,474	3,474	
NM Jr. College Res.	2002-2010	1,037	1,037	1,037	1,037	1,037	
	2011	122	122	122	122	122	
	Total	1,159	1,159	1,159	1,159	1,159	
Roswell Ind. Schools Non-Res.	2002-2010	6,557,345		6,500,085		6,500,085	57,260
	2011	918,452	889,939	889,939	889,939	889,939	28,513
	Total	7,475,797	889,939	7,390,024	889,939	7,390,024	85,773
Roswell Ind. Schools Res.	2002-2010	7,868,255		7,842,202		7,842,202	26,053
	2011	1,112,947	1,060,597	1,060,597	1,060,597	1,060,597	52,350
	Total	8,981,202	1,060,597	8,902,799	1,060,597	8,902,799	78,403
Roswell Ind. Schools Debt Service	2002-2010	32,151,391		31,965,575		31,965,575	185,816
	2011	4,898,785	4,701,397	4,701,397	4,701,397	4,701,397	197,388
	Total	37,050,176	4,701,397	36,666,972	4,701,397	36,666,972	383,204
Artesia Public Schools Non-Res.	2002-2010	322,404		320,865		320,865	1,539
	2011	40,552	35,607	35,607	35,607	35,607	4,945
	Total	362,956	35,607	356,472	35,607	356,472	6,484
Artesia Public Schools Res.	2002-2010	77,984		77,017		77,017	967
	2011	11,589	10,111	10,111	10,111	10,111	1,478
	Total	89,573	10,111	87,128	10,111	87,128	2,445
Artesia Public Schools Debt Service	2002-2010	46,723		46,441		46,441	282
	2011	4,071	3,569	3,569	3,569	3,569	502
	Total	\$ 50,794	\$ 3,569	\$ 50,010	\$ 3,569	\$ 50,010	\$ 784

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE
YEAR ENDED JUNE 30, 2012
(Concluded)**

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Lake Arthur Muni. Schools Non-Res.	2002-2010	\$ 241,104	\$	\$ 235,573	\$	\$ 235,573	\$ 5,531
	2011	27,257	26,965	26,965	26,965	26,965	292
	Total	<u>268,360</u>	<u>26,965</u>	<u>262,538</u>	<u>26,965</u>	<u>262,538</u>	<u>5,822</u>
Lake Arthur Muni. Schools Res.	2002-2010	40,318		39,737		39,737	581
	2011	6,021	5,219	5,219	5,219	5,219	802
	Total	<u>46,339</u>	<u>5,219</u>	<u>44,956</u>	<u>5,219</u>	<u>44,956</u>	<u>1,383</u>
Lake Arthur Muni. Schools Debt Service	2002-2010	493,410		487,696		487,696	5,714
	2011	24,462	23,630	23,630	23,630	23,630	832
	Total	<u>517,872</u>	<u>23,630</u>	<u>511,326</u>	<u>23,630</u>	<u>511,326</u>	<u>6,546</u>
Elida Muni. Schools #27 Non-Res.	2002-2010	38,581		38,166		38,166	415
	2011	5,720	5,624	5,624	5,624	5,624	96
	Total	<u>44,301</u>	<u>5,624</u>	<u>43,790</u>	<u>5,624</u>	<u>43,790</u>	<u>511</u>
Elida Muni. Schools #27 Res.	2002-2010	3,481	3,481	3,481	3,481	3,481	
	2011	503	462	462	462	462	41
	Total	<u>3,984</u>	<u>3,943</u>	<u>3,943</u>	<u>3,943</u>	<u>3,943</u>	<u>41</u>
Elida Muni. Schools #27 Debt Service.	2002-2010	75,368		74,744		74,744	624
	2011	11,103	10,857	10,857	10,857	10,857	246
	Total	<u>86,471</u>	<u>10,857</u>	<u>85,601</u>	<u>10,857</u>	<u>85,601</u>	<u>870</u>
Elida Muni. Schools #28 Non-Res.	2002-2010	27,299		27,260		27,260	39
	2011	3,816	3,769	3,769	3,769	3,769	47
	Total	<u>31,115</u>	<u>3,769</u>	<u>31,029</u>	<u>3,769</u>	<u>31,029</u>	<u>86</u>
Elida Muni. Schools #28 Res.	2002-2010	3,725	2	3,725	2	3,725	
	2011	525	525	525	525	525	1
	Total	<u>4,250</u>	<u>527</u>	<u>4,250</u>	<u>527</u>	<u>4,250</u>	<u>1</u>
Elida Muni. Schools #28 Debt Service.	2002-2010	55,739		55,660		55,660	79
	2011	7,754	7,670	7,670	7,670	7,670	84
	Total	<u>63,493</u>	<u>7,670</u>	<u>63,330</u>	<u>7,670</u>	<u>63,330</u>	<u>163</u>
Hagerman Muni. Schools Non-Res.	2002-2010	368,226	7,345	366,074	7,345	366,074	2,152
	2011	49,141	48,500	48,500	48,500	48,500	641
	Total	<u>417,366</u>	<u>55,845</u>	<u>414,574</u>	<u>55,845</u>	<u>414,574</u>	<u>2,792</u>
Hagerman Muni. Schools Res.	2002-2010	136,001		133,801		133,801	2,200
	2011	19,936	17,361	17,361	17,361	17,361	2,575
	Total	<u>155,937</u>	<u>17,361</u>	<u>151,162</u>	<u>17,361</u>	<u>151,162</u>	<u>4,774</u>
Hagerman Muni. Schools Debt Service	2002-2010	1,524,176	20,162	1,510,805	20,162	1,510,805	13,371
	2011	139,115	132,330	132,330	132,330	132,330	6,785
	Total	<u>1,663,291</u>	<u>152,492</u>	<u>1,643,135</u>	<u>152,492</u>	<u>1,643,135</u>	<u>20,156</u>
Dexter Cons. Schools Non-Res.	2002-2010	805,904		801,749		801,749	4,155
	2011	101,554	99,701	99,701	99,701	99,701	1,853
	Total	<u>907,458</u>	<u>99,701</u>	<u>901,450</u>	<u>99,701</u>	<u>901,450</u>	<u>6,008</u>
Dexter Cons. Schools Res.	2002-2010	299,474		297,369		297,369	2,105
	2011	44,325	41,491	41,491	41,491	41,491	2,835
	Total	<u>343,799</u>	<u>41,491</u>	<u>338,860</u>	<u>41,491</u>	<u>338,860</u>	<u>4,940</u>
Dexter Cons. Schools Debt Service	2002-2010	4,436,093		4,411,253		4,411,253	24,840
	2011	413,716	399,901	399,901	399,901	399,901	13,815
	Total	<u>4,849,809</u>	<u>399,901</u>	<u>4,811,154</u>	<u>399,901</u>	<u>4,811,154</u>	<u>38,655</u>
Tatum Muni. Schools Non-Res.	2002-2010	548	548	548	548	548	
	2011	1,190	1,190	1,190	1,190	1,190	
	Total	<u>\$ 1,738</u>	<u>\$ 1,738</u>	<u>\$ 1,738</u>	<u>\$ 1,738</u>	<u>\$ 1,738</u>	<u>\$</u>

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Tatum Muni. Schools Res.	2002-2010	\$ 536	\$ 536	\$ 536	\$ 536	\$ 536	\$
	2011	68	68	68	68	68	
	Total	604	604	604	604	604	
Tatum Muni. Schools Debt Service	2002-2010	1,351	1,351	1,351	1,351	1,351	
	2011	1,478	1,478	1,478	1,478	1,478	
	Total	2,829	2,829	2,829	2,829	2,829	
Total School Districts		\$ 81,654,407	\$ 9,726,847	\$ 80,817,827	\$ 9,726,847	\$ 80,817,827	\$ 836,580
Special Districts:							
Flood Control	2002-2010	\$ 8,576,577	\$ 8,526,918	\$ 8,526,918	\$ 8,526,918	\$ 8,526,918	\$ 49,660
	2011	1,206,054	1,151,275	1,151,275	1,151,275	1,151,275	54,779
	Total	9,782,631	1,151,275	9,678,193	1,151,275	9,678,193	104,439
Pecos Valley Conservancy District	2002-2010	6,362,881		6,323,638		6,323,638	39,243
	2011	1,554,613	1,479,289	1,479,289	1,479,289	1,479,289	75,324
	Total	7,917,494	1,479,289	7,802,927	1,479,289	7,802,927	114,567
Chaves County S&W Conservancy Non-Res.	2002-2010	689,390		676,059		676,059	13,331
	2011	62,204	59,574	59,574	59,574	59,574	2,630
	Total	751,594	59,574	735,633	59,574	735,633	15,961
Chaves County S&W Conservancy Res.	2002-2010	575,220		573,084		573,084	2,137
	2011	100,419	96,487	96,487	96,487	96,487	3,932
	Total	675,639	96,487	669,570	96,487	669,570	6,069
Upper Hondo S&W Conservancy Non-Res.	2002-2010	92		92		92	
	2011	10	10	10	10	10	
	Total	102	102	102	102	102	
Upper Hondo S&W Conservancy Res.	2002-2010	11		11		11	
	2011	1	1	1	1	1	
	Total	12	12	12	12	12	
Hagerman-Dexter S&W Conservancy Non-Res.	2002-2010	141,495		140,646		140,646	849
	2011	15,237	14,852	14,852	14,852	14,852	385
	Total	156,732	14,852	155,498	14,852	155,498	1,234
Hagerman-Dexter S&W Conservancy Res.	2002-2010	70,272		69,656		69,656	616
	2011	11,031	10,250	10,250	10,250	10,250	781
	Total	81,303	10,250	79,906	10,250	79,906	1,397
Penasco S&W Conservancy	2002-2010	29,837		29,620		29,620	217
	2011	3,242	2,606	2,606	2,606	2,606	635
	Total	33,078	2,606	32,226	2,606	32,226	852
Central Valley S&W Conservancy Non-Res.	2002-2010	14,843	8	14,837	8	14,837	6
	2011	1,203	1,189	1,189	1,189	1,189	14
	Total	16,046	1,197	16,026	1,197	16,026	20
Central Valley S&W Conservancy Res.	2002-2010	3,268	3	3,261	3	3,261	7
	2011	425	374	374	374	374	51
	Total	3,693	377	3,635	377	3,635	58
Border S&W Conservancy	2002-2010	11,774	11,774	11,774	11,774	11,774	
	2011						
	Total	11,774	11,774	11,774	11,774	11,774	
Cottonwood-Walnut Creek S&W Conservancy	2002-2010	89,768		89,744		89,744	24
	2011	11,082	10,823	10,823	10,823	10,823	259
	Total	100,850	10,823	100,567	10,823	100,567	283
Total Special Districts		\$ 19,530,949	\$ 2,838,618	\$ 19,286,069	\$ 2,838,618	\$ 19,286,069	\$ 244,880
Grand Total		\$ 224,322,123	\$ 27,048,733	\$ 222,005,428	\$ 27,048,733	\$ 222,005,428	\$ 2,316,695

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2012**

Agreement Number	Participants	Parties Responsible for Operations	Description	Beginning and Ending Dates
	New Mexico Counties	NM Association of Counties	Creation and operation of a worker's compensation fund	7/01/87 - indefinite
	New Mexico Counties	NM Association of Counties	To provide a multi-line fund for property and casualty insurance	7/01/87 - indefinite
A-84-83	Chaves County and Otero County	Chaves County and Otero County	Construction and maintenance of County roads	10/19/84 - indefinite
A-90-15	Chaves County and City of Roswell	Chaves County and City of Roswell	Coordinating control of all disasters within their respective jurisdictions	4/12/90 - indefinite
A-95-77	NM State Highway Department; SNMEDD; SEPRO	NM State Highway Department	Data collection requirements of the Intermodal Surface Transportation Efficiency Act	10/17/95 - indefinite
A-98-90	NM State Highway Department and Chaves County	Chaves County	Energy and maintenance of warning flashers at the intersection of the Relief Route and Sunset	11/24/98 - indefinite
A-99-66	Chaves County and State of New Mexico Department of Corrections	Chaves County	House and feed the Parole Violator, provide and operate the detention facility, detain parolees for the Department	5/26/99 - 6/30/00 annually
A-01-24	NMPRC Insurance Division; Fire Marshal's Office and Chaves County (WIPP Grant)	Chaves County	Develop and implement a county-wide hazardous materials emergency response training program	4/09/01 - indefinite
A-02-157	County Flood Commission, City of Roswell, and Corp of Engineers	County Flood Commission, City of Roswell, and Corp of Engineers	For the parties to work cooperatively to undertake and complete the work necessary to increase the Rio Hondo channel capacity	1/31/10-12/31/10
A-02-165	NM State Highway Department and Chaves County	Chaves County	To provide electrical energy and maintenance of lighting at the intersection of US 285 and the Roswell Relief Route	1/24/03 - indefinite
A-02-172	Chaves County and State of New Mexico Department of Corrections	Chaves County	To establish the rights and responsibilities of the parties as to the operation of the Chaves County District 8 Fire Station	12/13/02 - indefinite
A-04-91	Natural Resources, Chaves County	Chaves County	The control of timber, grass and woodland fires in and adjacent to developed areas	9/13/04 - indefinite
A-05-15	City of Roswell and Chaves County	Pecos Valley Regional Communication Center District	joint enhanced 911 Regional Emergency Communication Center	7/19/05 - indefinite
A-05-045	Chaves County and the Town of Dexter	Chaves County and the Town of Dexter	by enforcement codes and standards for flood plain management	N/A
A-06-014	Chaves County and Flood Control	Chaves County and Flood Control	To establish Flood Control as a Chaves County department	4/06/06 - indefinite

Total Estimated Amount of the Project and Portion Applicable to the Entity	Amount of Agency Contribution in the Current Fiscal Year	Name of Government Agency where Revenues and Expenditures are		
		Audit Responsibility	Reported	Fiscal Agent (if applicable)
N/A	N/A	NM Association of Counties	NM Association of Counties	NM Association of Counties
N/A	N/A	NM Association of Counties	NM Association of Counties	NM Association of Counties
N/A	N/A	Chaves County and Otero County	N/A	Chaves County and Otero County
N/A	N/A	Chaves County and City of Roswell	Chaves County and City of Roswell	Chaves County and City of Roswell
N/A	N/A	SNMEDD		SNMEDD
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County Flood Commission, City of Roswell, and Corp of Engineers	N/A	Chaves County Flood Commission, City of Roswell, and Corp of Engineers
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
\$330,000	\$390,800	Pecos Valley Regional Communication Center District	N/A	Pecos Valley Regional Communication Center District
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF MEMORANDUMS OF UNDERSTANDING
JUNE 30, 2012**

Memorandum Number	County Number	Participants	Parties Responsible for Operations	Description
M-11-007	A-08-041	Chaves County & JL Norris Counselor	Chaves County	Renewal of professional services contract
M-11-008	N-08-008	Chaves County & Character Counts	Chaves County	Renewal of Project Graduation Celebration
M-11-009	N-08-011	Chaves County & Dexter Independent School District	Dexter Independent School District	Renewal of Project Graduation Celebration
M-11-016	A-08-014	Chaves County & Dr. Donald Wenner	Dr. Donald Wenner	Renewal of lease agreement
M-11-020	A-08-015	Chaves County & New Mexico Senior Olympics	Chaves County	Renewal of lease agreement
M-11-022	A-07-033	Chaves County & The Boys & Girls Club of Roswell, Inc.	Boys & Girls Club of Roswell, Inc.	For providing recreation and counseling services to the your of Chaves County
M-11-027	A-07-051	Chaves County & The Chaves Soil and Water Conservancy District		
M-11-023	N-08-019	Chaves County & The Town of Dexter	Chaves County	For emergency services
M-11-024	N-08-018	Chaves County & The Town of Hagerman	Chaves County	For emergency services
M-11-025	N-08-020	Chaves County & The Town of Lake Arthur	Chaves County	For emergency services
M-11-026	A-07-034	Chaves County & New Mexico Cooperative Extension Service	Chaves County	Sponsorship of the Chaves County Agricultural Youth Fair
M-11-001	A-07-035	Chaves County & Summit Food Service Management, Inc.	Summit Food Service Management, Inc.	Renewal of professional food management contract
M-11-002		Chaves County & Dept of Interior, BLM, Carlsbad Field Office	Bureau of Land Management	Successful completion of the HB In-Situ Environmental Impact Statement
M-11-003	A-07-036	Chaves County & Summit Food Service LLC	Summit Food Service LLC	Commissary services at the Chavez County Adult & Jevvenile Detention Centers
M-11-004	A-08-007	Chaves County & NMDPS Transportation Division	NMDPS Transportation Division	Lease of Suite A of the Pecos Valley Medical Complex
M-11-006	A-10-027	Chaves County & New Mexico Psychiatric Services Inc.	New Mexico Psychiatric Services Inc.	Health Services at the Chaves County Adult and Juvenile Detention Centers
M-11-010	N-10-013	Chaves County & C.A.S.A.	Chaves County	Renewal of DWI Contract
M-11-001	N-10-014	Chaves County & Roswell Refuge of Chavez County	Chaves County	Renewal of contract agreement
M-11-012	N-10-015	Chaves County & Diane Taylor	Chaves County	Renewal of contract agreement
M-11-013	N-10-016	Chaves County & Dexter Municipal School District	Dexter Municipal School District	Renewal of contract agreement
M-11-014	N-10-017	Chaves County & Hagerman Municipal School District	Hagerman Municipal School District	Renewal of contract agreement
M-11-015	N-10-018	Chaves County & Lake Arthur Municipal School District	Lake Arthur Municipal School District	Renewal of contract agreement
M-11-017	A-10-031	Chaves County & Wayne A Delamater, M.D.	Wayne A Delamater, M.D.	Renewal of lease agreement
M-11-018	A-09-025	Chaves County & Roswell Hispano Chamber of Commerce	Chaves County	Renewal of lease agreement
M-11-019	A-06-052	Chaves County & Roswell Energy Library	Chaves County	Renewal of lease agreement
M-11-021		Chaves County & Administrative Office of the Courts	Chaves County	Renewal of lease agreement

Beginning and Ending Dates	Total Estimated Amount of the Project and Portion Applicable to the Entity	Amount of entity Contribution in the Current Fiscal Year	Audit Responsibility	Name of Government Agency where Revenues and Expenditures are Reported	Fiscal Agent (if applicable)
7/1/10 - 6/30/12	\$45,000	\$45,000	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$7,500	\$7,500	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$4,000	\$4,000	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$36,600	\$36,600	Chaves County		N/A
7/1/10 - 6/30/12	\$400	\$400	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$20,000	\$20,000	Boys & Girls Club of Roswell, Inc.	Boys and Girls Club of Roswell, Inc.	N/A
7/1/10 - 6/30/12	\$10,000	\$10,000			N/A
7/1/10 - 6/30/12	\$17,500	\$17,500	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$17,500	\$17,500	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$17,500	\$17,500	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$25,000	\$25,000	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$600,000	\$628,576	Summit Food Service Management, Inc.	Chaves County	N/A
4/25/11-1/21/12	n/a	n/a	Chaves County	Chaves County	N/A
07/01/11-06/30/12	n/a	n/a	Summit Food Service Management LLC	Chaves County	N/A
07/01/11-06/30/12	n/a	n/a	Chaves County	Chaves County	N/A
07/01/11-06/30/12	\$72,959	\$72,959	Chaves County	Chaves County	N/A
07/01/11-06/30/12	\$20,000	\$20,000	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	\$20,000	\$20,000	Chaves County	Chaves County	N/A
7/1/11 - 6/30/12	\$14,000	\$14,000	Chaves County	Chaves County	N/A
7/1/11 - 6/30/12	\$12,000	\$12,000	Chaves County	Chaves County	N/A
7/1/11 - 6/30/12	\$12,000	\$12,000	Chaves County	Chaves County	N/A
7/1/11 - 6/30/12	\$12,000	\$12,000	Chaves County	Chaves County	N/A
7/1/10 - 6/30/12	n/a	n/a	Chaves County	Chavez County	N/A
7/1/09- 6/30/12	n/a	n/a	Chaves County	Chavez County	N/A
09/1/06-06/30/16	n/a	n/a	Chaves County	Chavez County	N/A
02/05/05-06/30/12	\$218,000	\$218,000	Chaves County	Chavez County	N/A

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SINGLE AUDIT SECTION

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

Mr. Hector H. Balderas
New Mexico State Auditor

County Commissioners of the
State of New Mexico, Chaves County

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparison presented as supplemental information of the County as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 8, 2012. 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

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the County Commissioners, the State Auditor, others within the entity, the Department of Finance and Administration, the New Mexico Legislatures, 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.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 8, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditors' Report

Mr. Hector H. Balderas
New Mexico State Auditor

County Commissioners of the
State of New Mexico, Chaves County

Compliance

We have audited the County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparison presented as supplemental information the County as of and for the year ended June 30, 2012, and have issued our report thereon dated November 8, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the County Commissioners, the State Auditor, others within the entity, the Department of Finance and Administration, the New Mexico Legislatures, 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.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 8, 2012

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through State of New Mexico Department of Finance and Administration: Schools and Roads - Grants to States	10.665	none	\$ 24,292
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State of New Mexico Department of Finance and Administration: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	11-C-NR-8-01-G-34	397,700
<u>U.S. Department of Interior</u>			
Passed through State of New Mexico Department of Finance and Administration: Distribution of Receipts to States and Local Governments	15.227	none	47,500
Passed through New Mexico Bureau of Land Management: National Fire Plan - Rural Fire Assistance	15.242	L10AP16387	2,863
National Fire Plan - Rural Fire Assistance	15.242	L10AP16398	1,478
Total U.S. Department of Interior			<u>51,841</u>
<u>U.S. Department of Justice</u>			
Direct Programs: Bulletproof Vest Partnership Program	16.607	none	1,875
Southwest Border Prosecution Initiative Program	16.755	2009BWBX08A03880	11,959
Southwest Border Prosecution Initiative Program	16.755	2009BWBX08B03883	29,546
Southwest Border Prosecution Initiative Program	16.755	2011BWBX11A05342	1,595
Passed through State of New Mexico Children, Youth and Families Department: Juvenile Accountability Block Grants	16.523	2008-JB-FX-0008	39,067
Passed through City of Roswell: Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-H4904-NM-DJ	7,693
Total U.S. Department of Justice			<u>91,735</u>
<u>U.S. Department of Energy</u>			
Passed through New Mexico State Fire Marshal's Office: Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106	DE-FC29-88AL53813 / M075	5,408
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106	DE-FC29-88AL53813 / A083	8,992
Total U.S. Department of Energy			<u>14,400</u>
Total Expenditures of Federal Awards			<u>\$ 579,968</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of The 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*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2012 *Catalog of Federal Domestic Assistance*.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.228	CDBG – State – Administered CDBG Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

None reported.

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None reported.

**STATE OF NEW MEXICO
CHAVES COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

Status of Prior Year Findings

Finding No. 2011-1

Status: Cleared.

FINANCIAL STATEMENT PREPARATION

Heinfeld, Meech & Co. assisted in the preparation of the financial statements presented in this report. The County's management has reviewed and approved the financial statements and related notes, and they believe that their records adequately support the financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2012**

An exit conference was conducted on November 8, 2012, in a closed meeting, in which the contents of this report were discussed with the following.

Chaves County

Greg Nibert, County Commissioner
Richard C. Naylor, County Commissioner
Stanton L. Riggs, County Manager
Steve Harris, County Treasurer
Arturo Sanchez, Chief Deputy Treasurer
Joe Sedillo, Finance Director
Sonny Chancey, Public Service Director
Tammy Brisco, Purchasing Director

Heinfeld, Meech & Co.

Audrey J. Jaramillo, CPA, CFE, Partner

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