



Chaves County

New Mexico



*Comprehensive Annual Financial Report
For the Year Ended June 30, 2014*

STATE OF NEW MEXICO

CHAVES COUNTY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Issued by:
Finance Department

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS (Cont'd)

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	i
Organizational Chart	v
List of Principal Officials	vi
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Required Supplementary Information)	7
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	31
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road Fund	32
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Indigent Hospital Claims Fund	33
Statement of Net Position – Proprietary Fund	34

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Cont'd)</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS (Concl'd)	
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	35
Statement of Cash Flows – Proprietary Fund	36
Statement of Assets and Liabilities – Fiduciary Funds	37
Notes to Financial Statements	39
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (Required Supplementary Information)	62
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Detention Construction Fund	66
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – County Permanent Fund	67
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	72
Special Revenue Governmental Funds:	
Combining Balance Sheet	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	82
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Farm and Range Fund	88
Recreation Fund	89
Dunken Fire District Fund	90
East Grand Plains Fire District Fund	91
Penasco Fire District Fund	92

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Cont'd)</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Cont'd)	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Midway Fire District Fund	93
Berrendo Fire District Fund	94
Sierra Fire District Fund	95
Rio Felix Fire District Fund	96
Chaves County Fire District #8 Fund	97
Fire and Ambulance Excise Tax Fund	98
Law Enforcement Grant Fund	99
Public Safety Grant Fund	100
DWI Grant Fund	101
Sheriff Forfeiture Fund	102
Correction Fund	103
Environmental Fund	104
Hospital Aged Accounts Fund	105
County Income Fund	106
Flood Control Fund	107
Road Special Construction Fund	108
Clerk Recording and Filing Fund	109
Property Valuation Fund	110
Other Grants and Contracts Fund	111
CDBG Fund	112
Restricted Health Services Fund	113
Debt Service Governmental Funds:	
Combining Balance Sheet	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	118
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
G.O. Bond Fund	120
2007 Refunding Bonds Fund	121
Revenue Bond #2 Fund	122
Revenue Bond Reserve Fund	123

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Concl'd)</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Concl'd)	
Capital Projects Governmental Funds:	
Combining Balance Sheet	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	128
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Emergency Capital Outlay Fund	130
Admin Center Construction Fund	131
Courthouse Construction Fund	132
Internal Service Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	134
 OTHER SUPPLEMENTARY INFORMATION	
Statement of Changes in Assets and Liabilities – Agency Fund	138
Schedule of Deposit and Investment Accounts	139
Schedule of Pledged Collateral	140
Tax Roll Reconciliation of Changes in the County Treasurer’s Property Tax Receivable	141
Property Tax Schedule	142
Schedule of Joint Powers Agreements	146
Schedule of Memorandums of Understanding	148
 <u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	153
Expenses, Program Revenues, and Net (Expense)/Revenue	154
General Revenues and Total Changes in Net Position	156
Fund Balances – Governmental Funds	158
Governmental Funds Revenues, Expenditures, and Debt Service Ratio	160
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	162

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS (Concl'd)

<u>STATISTICAL SECTION (Concl'd)</u>	<u>Page</u>
Revenue Capacity:	
Gross Receipt Tax Revenue by Source	163
General Government Tax Revenues by Source	164
Gross Receipts Tax Rates	165
Property Tax Levies and Collections	166
Assessed Value and Estimated Actual Value of Taxable Property by Class	167
Property Tax Rates – Direct and Overlapping	168
Principal Property Taxpayers	169
Debt Capacity:	
Outstanding Debt by Type	170
Legal Debt Margin Information	171
Pledged Revenue Coverage	172
Direct and Overlapping Governmental Activities Debt	173
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	174
Principal Employers	175
Operating Information:	
Full-Time Equivalent Employees by County Department/Division or Elected Office	176
Capital Assets Information	178
Operating Indicators by Function/Program	180
 <u>REPORT ON INTERNAL CONTROL AND ON COMPLIANCE</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	183
Summary Schedule of Prior Audit Findings	185
Exit Conference	186

INTRODUCTORY SECTION

(This page intentionally left blank)

**FINANCE
DEPARTMENT**

P.O. Box 1597
Roswell, NM 88202-1597
Phone 575-624-6620
Fax 575-624-6576
e-mail
sedilloj@co.chaves.nm.us

**Chief Financial
Officer**
Joe Sedillo



COMMISSIONERS

James W. Duffey · District 1
Kim Chesser · District 2
Kyle D. "Smiley" Wooton Dist. 3
Robert Corn- District 4
Greg Nibert - District 5

County Manager
Stanton L. Riggs

November 10, 2014

County Commissioners of
Chaves County, New Mexico

County Manager and the Citizens of
Chaves County, New Mexico

We are pleased to submit to you the Comprehensive Annual Financial Report of Chaves County for the fiscal year ended June 30, 2014. New Mexico state law, Section 12-6-3 NMSA 1978, requires that an annual audit of Chaves County's financial records and Comprehensive Annual Financial Report be performed by independent public accountants.

This report consists of management's representations concerning the finances of Chaves County. County management assumes full responsibility for the completeness and reliability of the information presented in this report, based on a comprehensive framework of internal controls that were established for this purpose. Chaves County has established a comprehensive internal control framework that is intended to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements according to generally accepted accounting principles. "Reasonable assurance" is intended to recognize that the cost of maintaining the system of internal accounting controls should not exceed the benefits derived. The County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The County's management team asserts that, to the best of our knowledge, this financial report is complete and reliable on all material respects.

The report consists of an Introductory Section, the Financial Section which includes the auditor's opinion from Heinfeld Meech & Co., P.C., a Management's Discussion and Analysis, a Statistical Section with ten years of summary data and the Other Information Section. The Introductory Section includes this transmittal letter, the County's organization chart and a list of County Officials and administrative staff. Readers should refer to the Management's Discussion and Analysis for a narrative review and analysis on the basic financial statements. This letter of transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it.

The Reporting Entity and Its Services

Chaves County is in southeast New Mexico and was created by Territorial Legislature on February 25, 1889, out of land from Lincoln County. The County comprises an area of 6,071 square miles and is the fourth largest county in the state. The County seat is Roswell, situated in the center of the County. The 2010 census lists the County's population as 65,778 people (as compared to 61,382 in 2000) and 26,697 households (as compared to 22,561 in 2000). Estimates of 2012 population are 65,784. The County's population has increased by 7.17% between 2000 and 2012. In 2010 the County had a median income of \$37,293 and 74% of the County's population live within the County seat of Roswell, which has a population of 48,477 and a population density of 1,619 individuals per square mile. Roswell is a center for irrigated farms, farming, dairy production, ranching, manufacturing, distribution and petroleum production. Other small towns, all of which lie south of Roswell, include Dexter, with an area of 0.8 square mile and a population of 1,235; Hagerman with an area of 1.4 square miles and population of 1,168; and Lake Arthur of 0.6 square mile and a population of 432.

The governance is established by a five-member Board of Commissioners operating with commissioner-manager relationship. The executive function is further divided to five elected county officials-Assessor, Treasurer, Clerk, Sheriff and Probate Judge. Services provided include roads, sanitation, health and social services, public safety, (sheriff, fire, emergency communications, corrections and detention) public improvement projects, planning and zoning, administrative services and economic development.

Chaves County maintains a budgetary structure which is systematically scrutinized by management for planning and control. The County utilizes a 'zero-base' budgeting process in which line items are considered and approved. Zero based budgeting requires that line item requests be justified. The budgets are subsequently scrutinized by the Budget and Finance Committee.

Economic Condition and Outlook

As an indicator, property values convey an important part of the local economy. The property values in the County have continued an upward trend for residential and non-residential values.

Several economic sources add to the strength of the County. Gross receipts tax revenue has indicated a steady growth from 2012 with an assertive recovery from the 2008-2010 downturn. The gross receipts tax has experienced a reflective correlation to the national recession and recovery. A significant increase in 2014 indicates a pattern that will most likely continue into 2015.

Oil and gas – Production plays an important role in the economy. The industry, however, is prone to heavy fluctuations and cannot be relied on for longevity and sustainability.

Manufacturing – Some of the manufacturing companies contributing to the overall strength would include AAR (aircraft repair and restoration company), Dean Baldwin (aircraft painting company), AerSale (plane repair and overhaul), and Leprino Foods (cheese processing plant).

Commercial – The commercial retail sector has experienced an economic boom in recent years. Retail has lead all of the industries in Chaves County. The trends from the gross receipts data is positive and projections continue in an upward movement.

Agriculture and Dairy - Chaves County is the number one agriculture producing county in the State of New Mexico; ranking in the top three categories: volume of milk produced; agriculture products sold (livestock, sheep); and total acres of production (pecans, hay, corn, silage and sorghum).

Long-Term Financial Planning

The current financial condition of Chaves County remains positive and the forecasts remain encouraging with property values, and gross receipt activity as a measuring device. The County is in the middle of a fifteen million dollar construction project to renovate and expand the County Adult and Juvenile Detention Center. The County is funding two-thirds of the project from gross receipts taxes with the remainder coming from New Mexico Finance Authority (NMFA) loan proceeds. County management is evaluating proposed assertive design objectives within its financial policies to maintain the financial health of the County. Part of these proposals would include changes affecting the investment policies over the County's investments. As a long term initiative the County is planning to maintain and increase the county's reserves as it anticipates the retirement of its long term obligations.

Relevant Financial Policies

Chaves County has developed and strengthened policies in areas of procurement, fraud prevention, budget, and internal controls. The budget cycle begins in mid-March with a target of an interim budget by the end of May. The departmental process involves the setting of goals and objectives by each of the County's departments. Zero based budgeting is adhered to as a basis for the fiscal year, and line item justification is a requirement stipulated by management. Flat budgets have been strongly recommended by the governance of Chaves County.

Major Initiatives

Chaves County has undertaken construction and expansion of the County Adult and Juvenile Detention Center. The project will cross three fiscal years with an estimated 19-month timeframe for completion. The expansion will allow for increased accommodations for both male and female occupants. The enhancements will allow for improved security systems throughout the adult and juvenile jail systems.

Safety is a priority objective established by the Board of Commissioners. Law enforcement officers were recognized with compensation increases that conveyed competitive rates. Retention against competing agencies within the area as well as adjacent counties was paramount with the introduction and discussion of increases in compensation. Environmental and work load hours were closely scrutinized and factored into the proposals.

Chaves County continues to implement all eight component areas under the DWI Program – Enforcement, Prevention, Coordination, Alternative Sentencing, Domestic Violence, Screening, Treatment and Compliance. Funding for the program is based on a percentage of gross receipts sales tax from each county and the number of alcohol related injury crashes.

AWARDS AND ACKNOWLEDGMENT

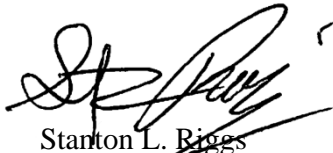
Awards. The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for a comprehensive annual financial report. In order to be awarded this certificate, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

This certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report will meet the program's requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2014 certificate.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the County. Each member of the County has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the County Manager and the members of the Board of County Commissioners, preparation of this report would not have been possible.

Respectfully submitted,



Stanton L. Riggs
County Manager



Joe Sedillo
Finance Director

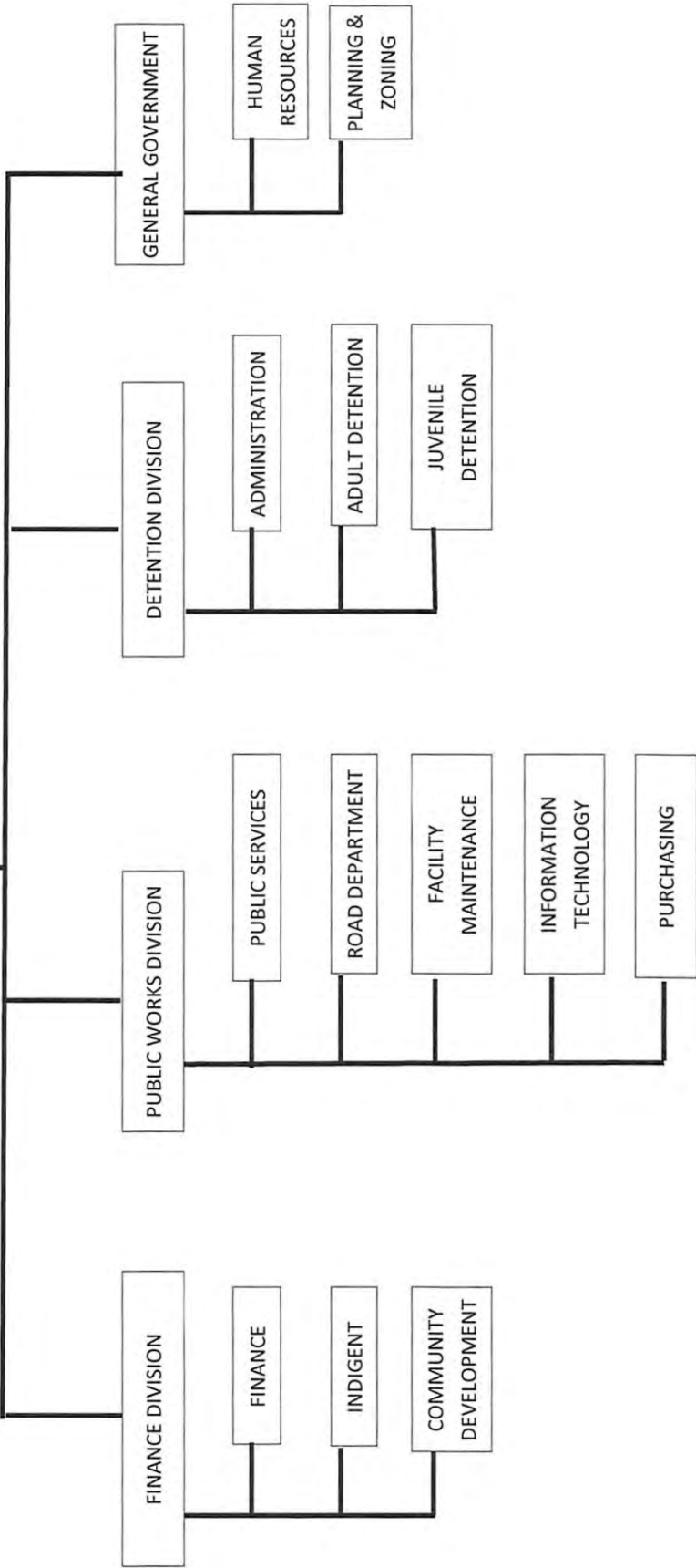
CHAVES COUNTY ORGANIZATIONAL CHART

BOARD OF COMMISSIONERS

ELECTED OFFICIALS:
ASSESSOR
CLERK
PROBATE JUDGE
SHERIFF
TREASURER

COUNTY MANAGER

LEGAL



**STATE OF NEW MEXICO
CHAVES COUNTY
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2014**

County Commissioners

James W. Duffey	District 1 Commissioner
Kim Chesser	District 2 Commissioner
Kyle D. "Smiley" Wooton	District 3 Commissioner
Robert Corn	District 4 Commissioner
Greg Nibert	District 5 Commissioner

Elected Officials

Ron Lethgo	County Assessor
Dave Kunko	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
Jason Prince	IT Director
Anders Sheridan	Planning and Zoning Director
Richard "Dick" Smith	Flood Control Superintendent
Clay Corn	Adult and Juvenile Detention Administrator

FINANCIAL SECTION

(This page intentionally left blank)

INDEPENDENT AUDITOR'S REPORT

Mr. Hector H. Balderas
New Mexico State Auditor

County Commissioners of
Chaves County, New Mexico

Report on the Financial Statements

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 major special revenue funds, of Chaves County, New Mexico (County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, 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, the internal service fund, the fiduciary fund, and the budgetary comparisons for the major capital project fund, permanent fund, all nonmajor governmental funds, and internal service fund presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Chaves County, New Mexico, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, the internal service fund and the fiduciary fund of the County as of June 30, 2014, 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, all nonmajor governmental funds, and internal service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the County implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 16 and the information about infrastructure assets reported using the modified approach on pages 62 and 63 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, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2014, on our consideration of Chaves County, New Mexico'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* in considering Chaves County, New Mexico's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

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

November 10, 2014

(This page intentionally left blank)

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

(This page intentionally left blank)

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

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 fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

The financial statements which follow the Management's Discussion and Analysis provide these significant key financial highlights for 2013-14 as follows.

- The County's total net position of governmental activities increased \$654,549 primarily due to increases in gross receipts tax revenues and investment income.
- General revenues from governmental activities accounted for \$26.0 million in revenue, or 85 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4.7 million or 15 percent of total governmental activities revenues.
- The County had \$30.1 million in expenses related to governmental activities, a decrease of 2 percent from the prior fiscal year.
- The General Fund had \$16.6 million in revenues, which primarily consisted of property tax and intergovernmental revenues. The total expenditures of the General Fund were \$13.3 million. The General Fund's fund balance increased \$131,730 to \$13.9 million.
- The Road Fund had \$1.8 million in revenues, which primarily consisted of gasoline and motor vehicle taxes. The total expenditures of the Road Fund were \$4.8 million. The Road Fund's fund balance decreased \$444,848 to \$952,244 at current fiscal year end.
- The Indigent Hospital Claims Fund had \$3.3 million in revenues, which primarily consisted of gross receipts taxes. The total expenditures of the Indigent Hospital Claims Fund were \$2.1 million. The Indigent Hospital Claims Fund's fund balance increased \$1.2 million from prior fiscal year end to \$2.0 million.
- The Detention Construction Fund had \$1.7 million in revenues, which consisted of gross receipts taxes. The total expenditures of the Detention Construction Fund were \$8.2 million. The Detention Construction Fund's fund balance decreased \$6.1 million to \$168,855 due to the utilization of fund balance for the renovation and expansion of the County Adult and Juvenile Detention Center.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

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 position presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, 2014**

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 combining statements and schedules.

Proprietary funds. The County maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs to the County's various functions. The internal service fund accounts for purchases of bulk supplies and phone services which are then charged to the departments that utilize the supplies and services.

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 Section 2.2.2 of the New Mexico Administrative Code (NMAC), 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, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$176.1 million at the current fiscal year end.

The largest portion of Chaves County's net position reflects its investment in capital assets (e.g., land, construction in progress, infrastructure, fine art, land improvements, buildings and improvements, and vehicles, furniture and equipment, and bridges) less any related outstanding debt used to acquire those assets. 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 outstanding 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 position relates to the Permanent Fund. This portion of the County's net position 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 this net position is 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 position 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 position for the fiscal years ended June 30, 2014 and June 30, 2013.

	As of June 30, 2014	As of June 30, 2013
Current and other assets	\$ 86,280,354	\$ 90,419,599
Capital assets, net	<u>105,772,620</u>	<u>101,018,802</u>
Total assets	<u>192,052,974</u>	<u>191,438,401</u>
Current and other liabilities	2,882,213	2,064,425
Long-term liabilities	<u>13,031,578</u>	<u>13,889,342</u>
Total liabilities	<u>15,913,791</u>	<u>15,953,767</u>
Net investment in capital assets	93,963,305	92,643,379
Restricted	69,146,304	74,179,207
Unrestricted	<u>13,029,574</u>	<u>8,662,048</u>
Total net position	<u>\$ 176,139,183</u>	<u>\$ 175,484,634</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

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 position. 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, the depreciation of capital assets, and the issuance of debt. The following are significant current year transactions that had an impact on the Statement of Net Position.

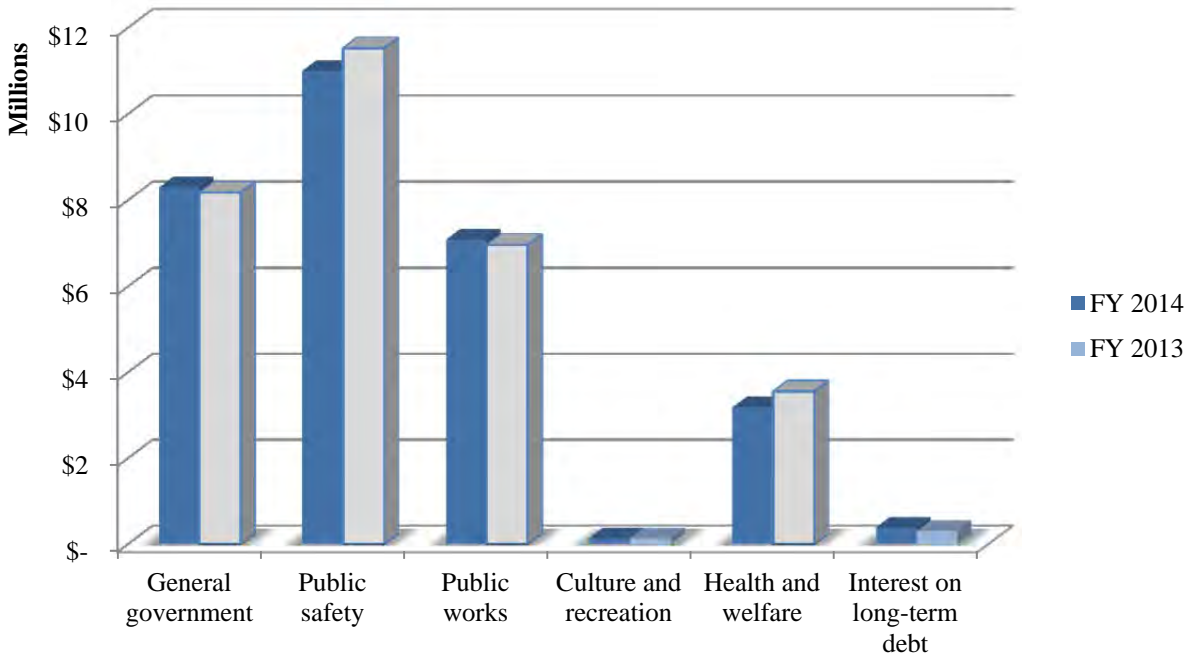
- The bond principal retirement of \$885,000, and NMFA loan principal retirement of \$466,082.
- The net addition of approximately \$7.7 million in capital assets.
- Current depreciation expense of \$3.0 million.

Changes in net position. The County's total revenues for the current fiscal year were \$30.7 million. The total cost of all programs and services was \$30.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Fiscal Year Ended <u>June 30, 2014</u>	Fiscal Year Ended <u>June 30, 2013</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,530,073	\$ 1,886,797
Operating grants and contributions	2,252,093	2,409,845
Capital grants and contributions	933,006	472,944
General revenues:		
Property taxes, levied for general purposes	8,840,619	8,687,211
Property taxes, levied for capital projects	1,255,573	1,221,224
Gross receipts taxes	8,052,325	7,410,816
Gasoline and motor vehicle taxes	2,349,996	2,382,243
Other taxes	1,188,656	989,386
Unrestricted federal aid	3,067,778	2,860,983
Investment income	1,246,728	27,223
Total revenues	<u>30,716,847</u>	<u>28,348,672</u>
Expenses:		
General government	8,290,451	8,179,487
Public safety	10,996,637	11,524,608
Public works	7,075,627	6,963,017
Culture and recreation	133,051	134,673
Health and welfare	3,181,442	3,551,116
Interest on long-term debt	385,090	301,387
Total expenses	<u>30,062,298</u>	<u>30,654,288</u>
Changes in net position	654,549	(2,305,616)
Net position, beginning of year	<u>175,484,634</u>	<u>177,790,250</u>
Net position, ending	<u>\$ 176,139,183</u>	<u>\$ 175,484,634</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- Capital grants and contributions increased \$460,062 primarily due to the receipt of a capital grant from the State of New Mexico Fire Marshal Division for the purchase of capital equipment for the volunteer fire districts.
- General revenues increased \$2.4 million primarily due to increases in collections for property and gross receipt taxes in addition to an increase in investment income due to an increase in investment returns.
- Health and welfare expenses decreased \$369,674 due to decreased indigent hospital claims and health service expenses.
- Public safety expenses decreased \$527,971 primarily due to four positions remaining unfilled during the fiscal year in the County Sheriff's Department.

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, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	<u>Year Ended June 30, 2014</u>		<u>Year Ended June 30, 2013</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
General government	\$ 8,290,451	\$ (5,876,786)	\$ 8,179,487	\$ (6,199,675)
Public safety	10,996,637	(9,271,841)	11,524,608	(9,444,829)
Public works	7,075,627	(6,538,880)	6,963,017	(6,306,164)
Culture and recreation	133,051	(133,051)	134,673	(134,673)
Health and welfare	3,181,442	(3,141,478)	3,551,116	(3,497,974)
Interest on long-term debt	385,090	(385,090)	301,387	(301,387)
Total	<u>\$ 30,062,298</u>	<u>\$(25,347,126)</u>	<u>\$30,654,288</u>	<u>\$(25,884,702)</u>

- The cost of all governmental activities this year was \$30.1 million.
- Charges for services and contributions subsidized certain governmental programs with revenues of \$4.7 million.
- Net cost of governmental activities of \$25.3 million was financed by general revenues of \$26.0 million, which are made up of primarily property taxes and gross receipts taxes.

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 \$83.0 million, a decrease of \$5.0 million primarily due to the utilization of fund balance for the renovation and expansion of the County Adult and Juvenile Detention Center.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

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

The General Fund is the principal operating fund of the County. The General Fund's fund balance increased \$131,730 to \$13.9 million at year end primarily due to increased investment income. General Fund revenues increased \$1.4 million to \$16.6 million at fiscal year end and expenditures decreased \$575,291 to \$13.3 million.

The Road Fund's fund balance decreased \$444,848 to \$952,244 as of fiscal year end. Road Fund revenues decreased \$95,887 to \$1.8 million at fiscal year end and expenditures increased \$294,923 to \$4.8 million.

The Indigent Hospital Fund's fund balance increased \$1.2 million to \$2.0 million at fiscal year end primarily due to a reduction of expenditures for indigent health services.

The Detention Construction Fund's fund balance decreased \$6.1 million to \$168,855 at fiscal year end due to the utilization of fund balance for the renovation and expansion of the County Adult and Juvenile 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 of \$748,818 in expenditures for public safety was a result of four budgeted positions remaining unfilled during the fiscal year in the County Sheriff's Department.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the County had invested \$149.2 million in capital assets, including land, construction in progress, infrastructure, fine art, land improvements, buildings and improvements, vehicles, furniture and equipment, and bridges. This amount represents a net increase prior to depreciation of \$7.7 million. Total depreciation expense for the current fiscal year was \$3.0 million. The following schedule presents capital asset balances for the fiscal years ended June 30, 2014 and June 30, 2013.

<u>Governmental Activities</u>	As of June 30, 2014	As of June 30, 2013
Land	\$ 3,821,441	\$ 3,821,441
Construction in progress	7,425,976	1,751,334
Infrastructure	48,743,592	48,473,982
Fine art	641,421	641,421
Land improvements	635,438	436,733
Buildings and improvements	42,896,692	42,867,713
Vehicles, furniture and equipment	30,873,088	29,328,383
Bridges	14,200,000	14,200,000
Less: Accumulated depreciation	<u>(43,465,028)</u>	<u>(40,502,205)</u>
Total	<u>\$ 105,772,620</u>	<u>\$101,018,802</u>

The estimated cost to complete current construction projects is \$12.0 million.

The County has elected to record its infrastructure assets using the modified approach, as defined in GASB Statement 34. Assets accounted for under the modified approach include 480.69 miles of chip sealed/paved roadways that the County is responsible for maintaining.

Chaves County utilizes a Pavement Management System. The County's Pavement Management System's purpose is to develop a cost effective rehabilitation program that preserves the County's road investment and enhances public transportation and safety. Each road segment is evaluated using 4 different road distress factors which are combined to obtain a Pavement Remaining Service Life (RSL) Factor. This factor is then assigned to each segment of road and expressed in a continuous scale from 0 to 20, which 0 is assigned the least acceptable road condition and 20 is assigned the best. The goal of Chaves County is to maintain and preserve the eligible infrastructure roads at an average RSL Range of 6 to 10 or average to above average to good. The County's most recent assessment indicated that an overall RSL factor of 8.79 was achieved.

Additional information on the County's capital assets can be found in Note 7.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

Debt Administration. At year end, the County had \$12.4 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, 2014 and June 30, 2013.

	2014	2013
Bonds payable	\$ 6,264,095	\$ 7,172,077
Loans payable	6,160,770	6,085,547
Leases payable		4,946
Total	\$ 12,424,865	\$ 13,262,570

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 \$42.7 million. The County has no general obligation debt outstanding.

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 2014-15 budget. Among them:

- Health insurance benefits paid by Chaves County decreased by 33 percent. There are three factors that contribute to this decrease: \$525,000 was subsidized from the Restricted Health Services fund, additional cost was passed on to the employees, and attrition in detention and safety officer positions that were not filled for fiscal year 2015.
- Reduction of Federal PILT net one percent.
- The unemployment rate of Chaves County is currently 7.30 percent, which is a decrease from a rate of 7.50 percent a year ago. This is greater than the state's average unemployment rate of 6.50 percent and compares unfavorably with the national average rate of 6.1 percent.
- Inflationary trends in the region compare favorably to national indices at a current level of 2 percent.

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

Budgeted expenditures in the General Fund decreased 8 percent to \$13.2 million in fiscal year 2014-15. Decrease in areas as in Public Safety; personnel cost plus direct employee benefits. Indirect costs in this area associated with this decrease also affected the final fiscal results.

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 <http://co.chaves.nm.us>.

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2014**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 5,141,217
Investments	25,397,136
Receivables	2,380,488
Inventory	969,716
Prepaid items	251,529
Total current assets	34,140,086
Noncurrent assets:	
Cash and cash equivalents - restricted	1,000,000
Investments - restricted	51,140,268
Capital assets, non-depreciable	60,632,430
Capital Assets, depreciable (net)	45,140,190
Total noncurrent assets	157,912,888
Total assets	192,052,974
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,578,826
Accrued payroll	169,087
Unearned revenues	11,000
Compensated absences payable	441,144
Loans payable	478,924
Bonds payable	955,000
Accrued interest payable	123,300
Total current liabilities	4,757,281
Noncurrent liabilities:	
Non-current portion of long-term obligations	11,156,510
Total noncurrent liabilities	11,156,510
Total liabilities	15,913,791
<u>NET POSITION</u>	
Net investment in capital assets	93,963,305
Restricted for:	
Special purposes	10,633,838
Debt service	6,337,102
Capital outlay	2,175,364
Nonexpendable	50,000,000
Unrestricted	13,029,574
Total net position	\$ 176,139,183

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

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 8,290,451	\$ 1,389,299	\$ 206,360	\$ 818,006	\$ (5,876,786)
Public safety	10,996,637	102,098	1,622,698		(9,271,841)
Public works	7,075,627	38,676	383,071	115,000	(6,538,880)
Culture and recreation	133,051				(133,051)
Health and welfare	3,181,442		39,964		(3,141,478)
Interest on long-term debt	385,090				(385,090)
Total governmental activities	<u>\$ 30,062,298</u>	<u>\$ 1,530,073</u>	<u>\$ 2,252,093</u>	<u>\$ 933,006</u>	<u>(25,347,126)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	8,840,619
Property taxes, levied for capital purposes	1,255,573
Gross receipts taxes	8,052,325
Gasoline and motor vehicle taxes	2,349,996
Other taxes	1,188,656
Unrestricted federal aid	3,067,778
Investment income	1,246,728
Total general revenues	<u>26,001,675</u>

Changes in net position

654,549

Net position, beginning of year

175,484,634

Net position, end of year

\$ 176,139,183

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

(This page intentionally left blank)

FUND FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>General</u>	<u>Road</u>	<u>Indigent Hospital Claims</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 662,749	\$ 102,230	\$
Cash and cash equivalents - restricted			
Investments	13,077,729		1,586,972
Investments - restricted			
Receivables	637,676	133,224	406,853
Inventory		938,521	
Prepaid items	143,514	14,491	602
Interfund advances receivable			
Total assets	<u>\$ 14,521,668</u>	<u>\$ 1,188,466</u>	<u>\$ 1,994,427</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 245,706	\$ 212,310	\$ 33,569
Accrued payroll	90,729	23,912	1,405
Unearned revenues	11,000		
Loan interest payable			
Interfund advances payable			
Total liabilities	<u>347,435</u>	<u>236,222</u>	<u>34,974</u>
Deferred inflows of resources:			
Unavailable revenues	<u>276,819</u>		
Fund balances (deficits):			
Nonspendable	143,514	953,012	602
Restricted			1,958,851
Committed			
Unassigned	13,753,900	(768)	
Total fund balances	<u>13,897,414</u>	<u>952,244</u>	<u>1,959,453</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,521,668</u>	<u>\$ 1,188,466</u>	<u>\$ 1,994,427</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>
\$	\$	\$ 4,202,527	\$ 4,967,506
		1,000,000	1,000,000
1,063,432		9,669,003	25,397,136
524,718	50,000,000	615,550	51,140,268
271,172		931,563	2,380,488
			938,521
47,766		45,156	251,529
		26,842	26,842
<u>\$ 1,907,088</u>	<u>\$ 50,000,000</u>	<u>\$ 16,490,641</u>	<u>\$ 86,102,290</u>
\$ 1,721,706	\$	\$ 363,280	\$ 2,576,571
		53,041	169,087
			11,000
16,527		5,640	22,167
		26,842	26,842
<u>1,738,233</u>		<u>448,803</u>	<u>2,805,667</u>
		62,262	339,081
47,766	50,000,000	45,156	51,190,050
121,089		14,483,748	16,563,688
		1,476,458	1,476,458
		(25,786)	13,727,346
<u>168,855</u>	<u>50,000,000</u>	<u>15,979,576</u>	<u>82,957,542</u>
<u>\$ 1,907,088</u>	<u>\$ 50,000,000</u>	<u>\$ 16,490,641</u>	<u>\$ 86,102,290</u>

(This page intentionally left blank)

**STATE OF NEW MEXICO
CHAVES COUNTY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Total governmental fund balances **\$ 82,957,542**

Amounts reported for *governmental activities* in the Statement of Net Position 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	\$ 149,237,648	
Less accumulated depreciation	<u>(43,465,028)</u>	105,772,620

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

Property taxes	229,597	
Other taxes	67,652	
Charges for services	<u>41,832</u>	339,081

The Internal Service Fund is used by management to charge the costs of supplies and services to the individual departments. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.

202,651

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

Accrued interest payable	(101,133)	
Bond premium payable	(114,095)	
Compensated absences payable	(606,713)	
Loans payable	(5,455,995)	
Loan premium payable	(704,775)	
Bonds payable	<u>(6,150,000)</u>	<u>(13,132,711)</u>

Net position of governmental activities **\$ 176,139,183**

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>Road</u>	<u>Indigent Hospital Claims</u>
Revenues:			
Property taxes	\$ 8,874,338	\$	\$
Gasoline and motor vehicle taxes	1,307,225	1,042,771	
Gross receipts taxes	479,043	300,000	2,449,626
Other taxes			846,205
State grants and contributions	273,489	359,517	
Federal grants and contributions	3,067,778	23,507	
Charges for services	412,566		
Licenses and fees	439,370		
Investment income	1,236,699		2,550
Other	472,851	38,676	7,320
Total revenues	<u>16,563,359</u>	<u>1,764,471</u>	<u>3,305,701</u>
Expenditures:			
Current -			
General government	5,488,639		
Public safety	7,615,461		
Public works		3,539,678	
Culture and recreation	126,378		
Health and welfare	93,433		2,106,193
Capital outlay		1,302,674	
Debt service -			
Principal		4,946	
Interest and fees		1,354	
Loan issuance costs			
Total expenditures	<u>13,323,911</u>	<u>4,848,652</u>	<u>2,106,193</u>
Excess (deficiency) of revenues over expenditures	<u>3,239,448</u>	<u>(3,084,181)</u>	<u>1,199,508</u>
Other financing sources (uses):			
Transfers in	142,282	2,750,000	
Transfers out	(3,250,000)		
Loan proceeds			
Total other financing sources (uses):	<u>(3,107,718)</u>	<u>2,750,000</u>	
Changes in fund balances	<u>131,730</u>	<u>(334,181)</u>	<u>1,199,508</u>
Fund balances, beginning of year	13,765,684	1,397,092	759,945
Increase (decrease) in reserve for inventory		(110,667)	
Fund balances, end of year	<u>\$ 13,897,414</u>	<u>\$ 952,244</u>	<u>\$ 1,959,453</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>
\$	\$	\$ 1,262,076	\$ 10,136,414
			2,349,996
1,693,290		3,130,366	8,052,325
		274,799	1,121,004
		2,353,206	2,986,212
		53,060	3,144,345
		64,512	477,078
			439,370
		7,479	1,246,728
		216,554	735,401
<u>1,693,290</u>	<u></u>	<u>7,362,052</u>	<u>30,688,873</u>
		212,952	5,701,591
		1,501,000	9,116,461
		963,977	4,503,655
			126,378
		984,954	3,184,580
7,634,197		2,765,305	11,702,176
400,000		951,082	1,356,028
200,282		298,757	500,393
		4,613	4,613
<u>8,234,479</u>	<u></u>	<u>7,682,640</u>	<u>36,195,875</u>
<u>(6,541,189)</u>	<u></u>	<u>(320,588)</u>	<u>(5,507,002)</u>
500,000		1,910,000	5,302,282
(16,901)		(2,035,381)	(5,302,282)
		619,613	619,613
<u>483,099</u>	<u></u>	<u>494,232</u>	<u>619,613</u>
<u>(6,058,090)</u>	<u></u>	<u>173,644</u>	<u>(4,887,389)</u>
6,226,945	50,000,000	15,805,932	87,955,598
			(110,667)
<u>\$ 168,855</u>	<u>\$ 50,000,000</u>	<u>\$ 15,979,576</u>	<u>\$ 82,957,542</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, 2014**

Net changes in fund balances - total governmental funds **\$ (4,998,056)**

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	\$ 7,960,675	
Less current year depreciation	<u>(3,043,383)</u>	4,917,292

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	(40,222)	
Other taxes	67,652	
Charges for services	<u>544</u>	27,974

Issuance of long-term debt (loans payable) provides current financial resources in governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position. (619,613)

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

Bond principal retirement	885,000	
Lease principal retirement	4,946	
Loan principal retirement	<u>466,082</u>	1,356,028

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	(163,474)	
Compensated absences payable	20,059	
Amortization of debt items	65,853	
Accrued interest on long-term debt	<u>14,013</u>	(63,549)

Internal Service Fund is used by management to charge the costs of supplies and services to the individual departments. The change in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities. 34,473

Change in net position in governmental activities **\$ 654,549**

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL
YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$ 8,572,472	\$ 8,572,473	\$ 8,885,495	\$ 313,022
Gasoline and motor vehicle taxes	1,560,494	1,527,434	1,315,940	(211,494)
Gross receipts taxes	450,000	450,910	479,043	28,133
State grants and contributions	103,129	262,158	273,489	11,331
Federal grants and contributions	2,834,905	2,811,000	3,067,778	256,778
Charges for services	275,000	358,905	412,566	53,661
Licenses and fees	451,350	451,350	439,370	(11,980)
Investment income	12,000	12,000	11,385	(615)
Other	413,350	386,850	468,991	82,141
Total revenues	<u>14,672,700</u>	<u>14,833,080</u>	<u>15,354,057</u>	<u>520,977</u>
Cash balance carryforward	<u>9,941,698</u>	<u>9,941,698</u>		
Total	<u>\$ 24,614,398</u>	<u>\$ 24,774,778</u>		
Expenditures:				
Current -				
General government	\$ 5,603,645	\$ 5,689,629	5,436,238	253,391
Public safety	8,296,553	8,364,279	7,615,461	748,818
Public works				
Culture and recreation	156,951	187,757	126,378	61,379
Health and welfare	166,572	145,022	89,796	55,226
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>14,223,721</u>	<u>14,386,687</u>	<u>13,267,873</u>	<u>1,118,814</u>
Other financing sources (uses):				
Transfers in	75,000	137,500	142,282	4,782
Transfers out	(4,975,000)	(4,994,917)	(1,500,000)	3,494,917
Total other financing sources (uses)	<u>(4,900,000)</u>	<u>(4,857,417)</u>	<u>(1,357,718)</u>	<u>3,499,699</u>
Change in fund balance -budgetary basis			728,466	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(19,872)	
Unbudgeted expenditure accruals				
Change in fund balance for funds budgeted separately from the General Fund			<u>(576,864)</u>	
Change in fund balance - GAAP basis			<u>\$ 131,730</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD
YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes	1,010,000	1,010,000	1,034,876	24,876
Gross receipts taxes	300,000	300,000	300,000	
State grants and contributions	415,034	418,000	398,193	(19,807)
Federal grants and contributions	24,146	28,180	23,507	(4,673)
Intergovernmental				
Charges for services				
Licenses and fees				
Investment income				
Contributions				
Other				
Total revenues	1,749,180	1,756,180	1,756,576	396
Cash balance carryforward	419,065	419,065		
Total	\$ 2,168,245	\$ 2,175,245		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works	4,973,099	4,876,968	3,539,678	1,337,290
Culture and recreation				
Health and welfare				
Capital outlay	156,500	259,630	1,302,674	(1,043,044)
Debt service -				
Principal			4,946	(4,946)
Interest and fees			1,354	(1,354)
Total expenditures	5,129,599	5,136,598	4,848,652	287,946
Other financing sources (uses):				
Transfers in	3,500,000	3,500,000	2,750,000	(750,000)
Transfers out				
Total other financing sources (uses)	3,500,000	3,500,000	2,750,000	(750,000)
Change in fund balance - budgetary basis			(342,076)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			7,895	
Unbudgeted expenditure accruals			(8,176)	
Change in fund balance - GAAP basis			\$ (34,181)	

**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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	2,304,500	2,304,500	2,456,372	151,872
Other taxes	700,000	553,795	846,205	292,410
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income	550	550	2,550	2,000
Contributions				
Other	9,500	9,500	7,320	(2,180)
Total revenues	3,014,550	2,868,345	3,312,447	444,102
Cash balance carryforward	514,985	514,985		
Total	\$ 3,529,535	\$ 3,383,330		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	1,534,960	2,350,166	2,270,759	79,407
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	1,534,960	2,350,166	2,270,759	79,407
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			1,041,688	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(6,746)	
Unbudgeted expenditure accruals			164,566	
Change in fund balance - GAAP basis			\$ 1,199,508	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014**

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 173,711
Inventory	31,195
Total current assets	204,906
Total assets	204,906
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,255
Total current liabilities	2,255
Total liabilities	2,255
 <u>NET POSITION</u>	
Unrestricted	202,651
Total net position	\$ 202,651

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 POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Governmental Activities: Internal Service Funds
Operating revenues:	
Sales of supplies	\$ 70,207
Charges for services	61,075
Total operating revenues	<u>131,282</u>
Operating expenses:	
Supplies	38,348
Services	58,461
Total operating expenses	<u>96,809</u>
Operating income (loss)	<u>34,473</u>
Changes in net position	<u>34,473</u>
Total net position, beginning of year	168,178
Total net position, end of year	<u><u>\$ 202,651</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 FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Governmental Activities: Internal Service Fund</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from sales of supplies and services	\$ 129,481
Cash payments to suppliers for goods and services	<u>(101,754)</u>
Net cash provided by operating activities	<u>27,727</u>
Net increase in cash and cash equivalents	27,727
Cash and cash equivalents, beginning of year	<u>145,984</u>
Cash and cash equivalents, end of year	<u><u>\$ 173,711</u></u>
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided by Operating Activities</u>	
Operating income (loss)	\$ 34,473
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Increase in inventory	(1,801)
Decrease in accounts payable	<u>(4,945)</u>
Total adjustments	<u>(6,746)</u>
Net cash provided by operating activities	<u><u>\$ 27,727</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014**

	Agency
<u>ASSETS</u>	
Cash and cash equivalents	\$ 676,469
Taxes receivable	1,233,447
Total assets	\$ 1,909,916
 <u>LIABILITIES</u>	
Deposits held for others	\$ 59,554
Due to other taxing entities	1,850,362
Total liabilities	\$ 1,909,916

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

(This page intentionally left blank)

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 New Mexico Statutes Annotated, 1978 (NMSA) 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.

During the year ended June 30, 2014, the County implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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.

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

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.

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. Unearned 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.

Property taxes recognized are net of estimated refunds and uncollectible amounts. Delinquent property taxes have been recorded as unavailable revenues. Receivables that will not be collected within the available period have also been reported as unavailable revenues on the governmental fund financial statements.

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. Fiduciary funds are reported by fund type.

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.

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)

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

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)

County Permanent Fund – This fund accounts for monies transferred to the Permanent Fund that 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.

Additionally, the County reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to the County's purchase of bulk supplies and phone services which are then charged to the departments that utilize the supplies and services.

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.

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.

The Agency Fund is custodial in nature and does not have a measurement focus and is reported on the accrual basis of accounting.

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. NMSA 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. 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.

Certain resources set aside for the repayment of debt are classified as cash and investments – restricted on the statement of net position/balance sheet, because their use is limited by applicable bond and loan covenants. Trust accounts, recorded in the Revenue Bond Debt Service Fund and the Detention Center Construction Fund, are used to segregate resources accumulated for future debt service payments for the 2007 Refunding Bonds, and the County Detention Center Loan with the New Mexico Finance Authority (NMFA) respectively.

Resources are also classified as cash and investments – restricted on the statement of net position/balance sheet for NMFA loan proceeds recorded in the Sierra Fire District Fund to be utilized for the construction of Sierra Volunteer Fire Station #4.

E. Investment Income

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

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). Interfund balances between governmental funds are eliminated on the Statement of Net Position. 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

Road inventories consist of materials used in the Road Department's operations and are valued using the average cost method. Other inventories consist of general supplies and are valued using the first-in/first-out (FIFO) method. Inventories are recorded as expenses/expenditures when consumed in the government-wide and fund financial statements.

H. 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. Prepaid items are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

I. 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

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. Infrastructure assets are not depreciated as the County has elected to use the modified method in accounting for infrastructure assets. The modified method allows governments to report as expenses in lieu of depreciation, infrastructure expenditures that maintain the asset but do not add to nor improve the asset. Additions and improvements to infrastructure assets are capitalized. The County uses an asset management system to rate the condition of infrastructure assets and quantify the results of maintenance efforts. 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
Bridges	50

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

K. 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, 2014**

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

L. 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 position. Debt premiums and discounts, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the debt using the straight line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt 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.

M. 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.

N. 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 County budget is prepared primarily on a cash basis and therefore a reconciliation to generally accepted accounting principles (GAAP) is presented with each fund. 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.

O. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements the County applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

P. 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.

Q. New Accounting Pronouncement

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will be effective for the County's June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their "proportionate share" of the plan's total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'd)

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

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 County Commissioners or a management official delegated that authority by the County Commissioners. The County does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

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.

The County applies restricted resources first when outlays 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

	General Fund	Road Fund	Indigent Hospital Claims Fund	Detention Construction Fund	County Permanent Fund	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$	\$ 938,521	\$	\$	\$	\$
Prepaid items	143,514	14,491	602	47,766		45,156
Permanent					50,000,000	
Restricted:						
Debt service						6,337,102
Capital projects				121,089		1,937,621
State/Federal projects						350,419
Health services			1,958,851			
Fire protection						5,051,342
Law enforcement						689,488
Environmental services						117,776
Committed:						
Capital projects						657,347
Health services						50,746
County assessor						580,825
County clerk						140,782
Law enforcement						46,758
Unassigned	13,753,900	(768)				(25,786)
Total fund balances	<u>\$13,897,414</u>	<u>\$ 952,244</u>	<u>\$ 1,959,453</u>	<u>\$ 168,855</u>	<u>\$ 50,000,000</u>	<u>\$ 15,979,576</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Emergency Capital Outlay Fund, a non-major governmental fund, reported a deficit of \$25,786 in fund balance.

The deficit arose because of operations during the year. Additional resources received in fiscal year 2014-15 are expected to eliminate the deficit.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4 – CASH AND INVESTMENTS

At year end, the carrying amount of the County’s deposits was \$6,817,686 and the bank balance was \$7,797,455. 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). At year end, \$8,168,942 of the County’s bank balance was exposed to custodial credit risk as uninsured and \$6,624,906 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	\$	9,503,599
Less FDIC coverage		1,334,657
Total unsecured public funds		8,168,942
50% collateral requirement		4,084,471
Pledged securities, fair value		6,825,261
Pledged in excess of requirement	\$	2,740,790

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	
Money market - investments	\$ 1,706,144	\$ 1,706,144	\$	\$	2.23%
State investment pool	6,886,022	6,886,022			9.00%
Corporate bond	22,084,427	5,190,447	16,893,980		28.85%
U.S. Treasuries	10,801,062	4,060,624	6,740,438		14.11%
U.S. Agencies:					
Federal National Mortgage Association	13,619,865	4,326,196	7,316,311	1,977,358	17.79%
Federal Home Loan Mortgage Corporation	8,661,229	2,505,517	5,143,290	1,012,422	11.32%
Federal Home Loan Bank	11,638,387		7,218,474	4,419,913	15.21%
Investments - NMFA Pooled Debt Service Account	1,140,268	1,140,268			1.49%
Total	\$76,537,404	\$25,815,218	\$43,312,493	\$ 7,409,693	100.00%

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

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 48.6 days at year end.

Credit Quality Risk. The County's investment policy limits investments to those securities authorized by the laws of the State of New Mexico. All of the County's investments in U.S. Agencies in the preceding table were rated Aaa by Moody's Investors Service and AA+ 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, and in adherence with State law, the County adopted an investment policy that 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.

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	\$ 369,069	\$	\$	\$	\$ 72,960
Gasoline and motor vehicle	12,061	118,979			
Gross receipts			406,853	271,172	511,470
Other taxes	216,586				
Accounts	39,960	14,245			47,002
Due from federal government					10,000
Due from state government					290,131
Net receivables	<u>\$ 637,676</u>	<u>\$ 133,224</u>	<u>\$ 406,853</u>	<u>\$ 271,172</u>	<u>\$ 931,563</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 – DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows.

	General Fund	Non-Major Governmental Funds
Property taxes receivable	\$ 169,207	\$ 60,390
Other taxes	67,652	
Charges for services	39,960	1,872
Total deferred inflows of resources	<u>\$ 276,819</u>	<u>\$ 62,262</u>

NOTE 7 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,821,441	\$	\$	\$ 3,821,441
Construction in progress	1,751,334	5,674,642		7,425,976
Infrastructure (paved and unpaved)	48,473,982	269,610		48,743,592
Fine art	641,421			641,421
Total capital assets, not being depreciated	<u>54,688,178</u>	<u>5,944,252</u>		<u>60,632,430</u>
Capital assets, being depreciated:				
Land improvements	436,733	198,705		635,438
Buildings and improvements	42,867,713	28,979		42,896,692
Vehicles, furniture, and equipment	29,328,383	1,788,739	244,034	30,873,088
Bridges	14,200,000			14,200,000
Total capital assets being depreciated	<u>86,832,829</u>	<u>2,016,423</u>	<u>244,034</u>	<u>88,605,218</u>
Less accumulated depreciation for:				
Land improvements	(227,649)	(27,508)		(255,157)
Buildings and improvements	(14,087,287)	(1,426,481)		(15,513,768)
Vehicles, furniture, and equipment	(18,086,769)	(1,366,817)	(80,560)	(19,373,026)
Bridges	(8,100,500)	(222,577)		(8,323,077)
Total accumulated depreciation	<u>(40,502,205)</u>	<u>(3,043,383)</u>	<u>(80,560)</u>	<u>(43,465,028)</u>
Total capital assets, being depreciated, net	<u>46,330,624</u>	<u>(1,026,960)</u>	<u>163,474</u>	<u>45,140,190</u>
Governmental activities capital assets, net	<u>\$ 101,018,802</u>	<u>\$ 4,917,292</u>	<u>\$ 163,474</u>	<u>\$105,772,620</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 – CAPITAL ASSETS (Concl'd)

Governmental capital asset depreciation by function is as follows:

General government	\$	527,157
Public safety		1,592,664
Public works		923,562
Total		<u>\$ 3,043,383</u>

Construction Commitments – At year end, the County had contractual commitments related to capital projects for the renovation and expansion of the County Adult Juvenile Detention Center, and construction of Sierra Volunteer Fire Station #4. At year end the County had spent \$7.4 million on the projects and had estimated remaining contractual commitments of \$12.0 million. These projects are being funded with loan proceeds, and future gross receipts tax collections.

NOTE 8 – BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding refunding 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>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2014</u>	<u>Due Within One Year</u>
Governmental activities:					
2007 Refunding Bonds	\$ 10,000,000	3.85% - 4.10%	8/1/14-20	\$ 6,150,000	\$ 955,000
Total				<u>\$ 6,150,000</u>	<u>\$ 955,000</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 – BONDS PAYABLE (Concl'd)

Annual debt service requirements to maturity on bonds at year end are summarized as follows.

Year ending June 30:	Governmental Activities	
	Principal	Interest
2015	\$ 955,000	\$ 224,336
2016	1,060,000	185,415
2017	1,140,000	142,648
2018	1,180,000	97,113
2019	1,215,000	49,204
2020	600,000	12,300
Total	<u>\$ 6,150,000</u>	<u>\$ 711,016</u>

Pledged revenues – governmental activities. The County has pledged future gross receipts tax revenues to repay outstanding refunding bonds of \$6.2 million as of June 30, 2014. 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 \$6.9 million. The current total gross receipts tax revenues were \$8.0 million and the total principal and interest paid on the bonds was \$1.1 million, or 14% of gross revenues.

NOTE 9 – LOANS PAYABLE

NMFA Loans. The County entered into several debt finance agreements with New Mexico Finance Authority (NMFA) to purchase various equipment and fund construction projects. The principal and interest payments are recorded in the Detention Construction Fund, a major governmental fund, and the East Grand Plains Fire District, Midway Fire District, Berrendo Fire District, Sierra 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, 2014
District #8 Fire Equipment	March 2003	May 2023	3%	\$ 125,000	\$ 65,637
East Grand Plains Fire Equipment	April 2004	May 2024	3%	269,708	157,911
East Grand Plains Fire Equipment	September 2006	May 2017	3%	150,000	52,404
Midway Fire Equipment	April 2009	May 2030	3%	162,400	137,115
East Grand Plains Fire Equipment	May 2011	May 2022	3%	126,875	118,437
County Detention Center Loan	June 2013	June 2023	1.15% - 3.01%	4,725,000	4,325,000
Sierra Substation	July 2013	May 2033	0.32% - 3.25%	619,613	599,491
Total				<u>\$ 6,178,596</u>	<u>\$ 5,455,995</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9 – LOANS PAYABLE (Concl'd)

Year ending June 30:	<u>Principal</u>	<u>Interest</u>
2015	\$ 478,924	\$ 232,166
2016	490,704	217,844
2017	512,667	198,889
2018	515,858	174,584
2019	561,342	149,857
2020-24	2,516,979	362,677
2025-29	215,267	46,498
2030-34	164,254	12,408
Total	<u>\$ 5,455,995</u>	<u>\$ 1,394,923</u>

NOTE 10 – OBLIGATIONS UNDER OPERATING LEASES

The County leases heavy equipment for road maintenance, including road graders, front loaders, and water trucks. The County also leases copy machines for various departments. The County's monthly rental payments for operating leases totaled \$431,846 for the current fiscal year. The future minimum rental payments required under the operating leases at year end were as follows.

Year Ending June 30:	
2015	\$ 383,309
2016	576,522
2017	233,990
2018	103,400
2019	313,421
Thereafter	855
Total minimum payments required	<u>\$ 1,611,497</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11 – 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:					
Refunding bonds	\$ 7,035,000	\$	\$ 885,000	\$ 6,150,000	\$ 955,000
Bond premium payable	137,077		22,982	114,095	
Total bonds payable	<u>7,172,077</u>		<u>907,982</u>	<u>6,264,095</u>	<u>955,000</u>
Loans payable	5,302,464	619,613	466,082	5,455,995	478,924
Loan premium payable	783,083		78,308	704,775	
Total loans payable	<u>6,085,547</u>	<u>619,613</u>	<u>544,390</u>	<u>6,160,770</u>	<u>478,924</u>
Obligations under capital leases	4,946		4,946		
Compensated absences	626,772	526,263	546,322	606,713	441,144
Total	<u>\$ 13,889,342</u>	<u>\$ 1,145,876</u>	<u>\$ 2,003,640</u>	<u>\$ 13,031,578</u>	<u>\$ 1,875,068</u>

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances – In a prior year, the Sierra Fire District Fund, a non-major governmental fund, borrowed resources from the Fire and Excise Tax Fund, a non-major governmental fund, to purchase fire equipment. The advance is payable over 10 years at a 3% interest rate. As of June 30, 2014, advances outstanding were \$26,842, and interest paid during the fiscal year was \$1,166.

Interfund transfers – Interfund transfers were utilized by the County during the fiscal year, as approved in the annual budget, to transfer resources for expenditure purposes. Transfers made were as follows.

	Transfers in				Total
	General Fund	Road Fund	Detention Construction Fund	Non-Major Governmental Funds	
Transfers out					
General Fund	\$	\$2,750,000	\$ 500,000	\$	\$ 3,250,000
Detention Construction Fund	16,901				16,901
Non-Major Governmental Funds	125,381			1,910,000	2,035,381
Total	<u>\$ 142,282</u>	<u>\$2,750,000</u>	<u>\$ 500,000</u>	<u>\$ 1,910,000</u>	<u>\$ 5,302,282</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 13 – 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 14 – 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 BenefitSource for 100 percent of preventative services, 80 percent of basic services, and 50 percent of major services and have a maximum of \$1,000 per enrolled person on a contract year basis. During the year, the County General Fund paid claims in the amount of \$137,953 and administrative fees of \$12,776. All claims handling procedures are performed by a third party claims administrator. Unpaid claims have not been accrued as they are not significant to the financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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

Funding Policy. Plan members are required to contribute 17.15% to 17.80 % of gross salary (depending upon the plan), although for fiscal year 2013-14 the County agreed to pay up to 12% of the employee’s contribution on behalf of the employee. The County is required to contribute 11.65% to 16.30% of gross salary (depending upon the plan). 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, 2014, 2013, and 2012 were \$1.4 million, \$1.3 million and \$1.6 million, respectively, which were equal to the amount of the required contributions for each year.

NOTE 16 – 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, 2014**

**NOTE 16 – POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN
(Concl'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 employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The County's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$177,196, \$179,446 and \$165,215, respectively, which equal the required contributions for each year.

(This page intentionally left blank)

**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH
(Required Supplementary Information)**

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH
JUNE 30, 2014**

Modified Approach for County Streets Infrastructure Capital Assets

The County has elected to use the “Modified Approach” as defined by GASB Statement No. 34 for infrastructure reporting for its Streets Pavement System. The County excludes unkept and unpaved roads from this approach. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The County manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) ability to perform condition assessments and summarize the results using a measurement scale; and (3) ability to estimate annual amount to maintain and preserve at the established condition assessment level.
- The County documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

Chaves County maintains 480.69 miles of chip sealed/paved roadways. The goal of the Chaves County Road Department is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the County’s investment in its road network and enhances public transportation and safety. The chip sealed roadway surface on the County’s paved roads is expected to have a life of approximately 10 years. In order to prevent the chip seal road surface from failing completely, and requiring complete reconstruction, the County attempts to resurface these roads every 7 years. This goal requires the County to resurface approximately 69 miles of paved roads each year. Due to the increasing road maintenance material costs, increasing fuel and labor costs and relatively flat road revenues, Chaves County in recent years has not been able to meet these goals.

Chaves County utilizes a Pavement Management System. The County’s Pavement Management System’s purpose is to develop a cost effective rehabilitation program that preserves the County’s road investment and enhances public transportation and safety. Each road segment is evaluated using 4 different road distress factors: Fatigue (Distress, Raveling & Weathering), Cracking (Longitudinal and Transverse), Edge Cracking and Patching. All of these factors are rated and combined to obtain a Pavement RSL (Remaining Service Life) Factor. This factor is then assigned to each segment of road and expressed in a continuous scale from 0 to 20, which 0 is assigned the least acceptable road condition and 20 is assigned the best.

The following conditions were defined:

<u>Condition</u>	<u>RSL Range</u>
Excellent – Very Good	20 – 10
Good – Above average	10 – 8
Average	8 – 6
Below average – Poor	6 – 4
Very poor – Needs immediate work	4 – 0

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH
JUNE 30, 2014**

Modified Approach for County Streets Infrastructure Capital Assets (Concl'd)

The County's first assessment of all eligible roads was completed in March 2013 by the Chaves County Road Department. The goal of Chaves County is to maintain and preserve the eligible infrastructure roads at an average RSL Range of 6 to 10 or average to above average to good.

As of March 2013, the County's first eligible road assessment was 100% complete and rated at an RSL of 8.79 on average with the following detailed conditions:

<u>Condition</u>	<u>% of Road</u>	<u>RSL Range</u>
Excellent – Very Good	70.911%	20 – 10
Good – Above average	11.974%	10 – 8
Average	10.023%	8 – 6
Below average – Poor	2.905%	6 – 4
Very poor – Needs immediate work	1.186%	4 – 0

The County performs the complete condition assessment on a three year cycle. Accordingly, the County's second condition assessment will be performed during fiscal year ended June 30, 2016.

The County is continuously taking actions to increase the life of its paved roads with short-term maintenance such as pothole patching, culvert and cattle guard repairs and replacement.

During 2014, 22.49 miles were chip sealed utilizing Local Government Road Fund Program funding in the amount of approximately \$312,051 for materials only; and 36.98 miles were chip sealed; and 4.87 miles were re-constructed utilizing County Funds in the amount of approximately \$692,224 for materials only. The remaining 4.66 miles were carried over into fiscal year 2015.

A schedule of estimated annual amounts calculated to maintain and preserve our roads at the current level compared to actual expenditures for road maintenance for the last 6 years is presented below:

<u>Fiscal Year</u>	<u>Estimated Miles</u>	<u>Actual Miles</u>	<u>Estimated Expenditures</u>	<u>Actual Expenditures</u>
2008/2009	72.00	53.92	\$ 911,520	\$ 1,432,966
2009/2010	77.50	61.61	996,313	828,196
2010/2011	79.79	42.86	1,078,761	630,794
2011/2012	124.28	40.46	1,680,266	750,450
2012/2013	76.61	23.81	1,440,268	760,931
2013/2014	45.00	64.34	1,330,653	1,004,275
2014/2015	64.00	N/A	1,426,686	N/A

(This page intentionally left blank)

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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	6,570,000	1,270,130	1,637,536	367,406
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>6,570,000</u>	<u>1,270,130</u>	<u>1,637,536</u>	<u>367,406</u>
Cash balance carryforward	<u>5,763,521</u>	<u>5,763,521</u>		
Total	<u>\$ 12,333,521</u>	<u>\$ 7,033,651</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	16,035,209	15,195,079	6,095,346	9,099,733
Debt service -				
Principal		1,140,000	400,000	740,000
Interest and fees			199,834	
Loan issuance costs				
Total expenditures	<u>16,035,209</u>	<u>16,335,079</u>	<u>6,695,180</u>	<u>9,639,899</u>
Other financing sources (uses):				
Transfers in	8,150,000	8,150,000	500,000	7,650,000
Transfers out			(16,901)	16,901
Loan Proceeds				
Premium on loan issuance				
Total other financing sources (uses)	<u>8,150,000</u>	<u>8,150,000</u>	<u>483,099</u>	<u>7,666,901</u>
Change in fund balance - budgetary basis			(4,574,545)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			55,754	
Unbudgeted expenditure accruals			<u>(1,539,299)</u>	
Change in fund balance - GAAP basis			<u>\$ (6,058,090)</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - COUNTY PERMANENT
YEAR ENDED JUNE 30, 2014**

	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	50,000,000	50,000,000		
Total	\$ 50,000,000	\$ 50,000,000		
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				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$	

(This page intentionally left blank)

**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, 2014**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,979,337	\$ 42,270	\$ 180,920
Cash and cash equivalents - restricted		1,000,000	
Investments	4,781,024	4,887,979	
Investments - restricted	615,550		
Receivables	524,710	406,853	
Prepaid items	45,156		
Interfund advances receivable	26,842		
Total assets	<u>\$ 9,972,619</u>	<u>\$ 6,337,102</u>	<u>\$ 180,920</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 156,574	\$	\$ 206,706
Accrued payroll	53,041		
Loan interest payable	5,640		
Interfund advances payable	26,842		
Total liabilities	<u>242,097</u>		<u>206,706</u>
Deferred inflows of resources:			
Unavailable revenues	<u>62,262</u>		
Fund balances (deficits):			
Nonspendable	45,156		
Restricted	8,146,646	6,337,102	
Committed	1,476,458		
Unassigned			(25,786)
Total fund balances	<u>9,668,260</u>	<u>6,337,102</u>	<u>(25,786)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,972,619</u>	<u>\$ 6,337,102</u>	<u>\$ 180,920</u>

Total Non-
Major
Governmental
Fund

\$	4,202,527
	1,000,000
	9,669,003
	615,550
	931,563
	45,156
	26,842
\$	<u>16,490,641</u>

\$	363,280
	53,041
	5,640
	26,842
	<u>448,803</u>

62,262

	45,156
	14,483,748
	1,476,458
	(25,786)
	<u>15,979,576</u>

\$ 16,490,641

**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, 2014**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$ 1,262,076	\$	\$
Gross receipts taxes	680,741	2,449,625	
Other taxes	274,799		
State grants and contributions	2,353,206		
Federal grants and contributions	53,060		
Charges for services	64,512		
Investment income	7,479		
Other	216,554		
Total revenues	<u>4,912,427</u>	<u>2,449,625</u>	<u></u>
Expenditures:			
Current -			
General government	212,952		
Public safety	1,501,000		
Public works	963,977		
Health and welfare	984,954		
Capital outlay	1,973,956		791,349
Debt service -			
Principal	66,082	885,000	
Interest and fees	38,687	260,070	
Loan issuance costs	4,613		
Total expenditures	<u>5,746,221</u>	<u>1,145,070</u>	<u>791,349</u>
Excess (deficiency) of revenues over expenditures	<u>(833,794)</u>	<u>1,304,555</u>	<u>(791,349)</u>
Other financing sources (uses):			
Transfers in		1,160,000	750,000
Transfers out	(100,000)	(1,910,440)	(24,941)
Loan proceeds	619,613		
Total other financing sources (uses):	<u>519,613</u>	<u>(750,440)</u>	<u>725,059</u>
Changes in fund balances	<u>(314,181)</u>	<u>554,115</u>	<u>(66,290)</u>
Fund balances, beginning of year	9,982,441	5,782,987	40,504
Fund balances (deficits), end of year	<u>\$ 9,668,260</u>	<u>\$ 6,337,102</u>	<u>\$ (25,786)</u>

Total Non-
Major
Governmental
Funds

\$ 1,262,076
3,130,366
274,799
2,353,206
53,060
64,512
7,479
216,554

7,362,052

212,952
1,501,000
963,977
984,954
2,765,305

951,082
298,757
4,613

7,682,640

(320,588)

1,910,000
(2,035,381)
619,613

494,232

173,644

15,805,932

\$ 15,979,576

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 funds received from the collection of existing patient accounts receivable subsequent to the sale of the Eastern New Mexico Medical Center (effective April 1, 1998). Funds received 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 solely by the County Clerk. (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, 2014**

	<u>Farm and Range</u>	<u>Recreation</u>	<u>Dunken Fire District</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 15,640	\$ 3,161	\$ 221,185
Investments			
Investments - restricted			
Receivables			
Prepaid items			3,689
Interfund advances receivable			
Total assets	<u>\$ 15,640</u>	<u>\$ 3,161</u>	<u>\$ 224,874</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 10,807
Accrued payroll			
Loan interest payable			
Interfund advances payable			
Total liabilities			<u>10,807</u>
Deferred inflows of resources:			
Unavailable revenues			
Fund balances:			
Nonspendable			3,689
Restricted	15,640	3,161	210,378
Committed			
Total fund balances	<u>15,640</u>	<u>3,161</u>	<u>214,067</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,640</u>	<u>\$ 3,161</u>	<u>\$ 224,874</u>

East Grand Plains Fire District	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District	Rio Felix Fire District
\$ 166,051	\$ 153,980	\$ 254,682	\$ 294,969	\$ 153,485	\$ 317,343
				615,550	
5,299	3,867	4,981	369 4,760	6,022	3,018
<u>\$ 171,350</u>	<u>\$ 157,847</u>	<u>\$ 259,663</u>	<u>\$ 300,098</u>	<u>\$ 775,057</u>	<u>\$ 320,361</u>
\$ 3,376	\$ 13,827	\$ 11,015	\$ 1,971	\$ 15,460	\$ 2,055
2,121		686		2,505	
<u>5,497</u>	<u>13,827</u>	<u>11,701</u>	<u>1,971</u>	<u>26,842</u> <u>44,807</u>	<u>2,055</u>
5,299	3,867	4,981	4,760	6,022	3,018
160,554	140,153	242,981	293,367	724,228	315,288
<u>165,853</u>	<u>144,020</u>	<u>247,962</u>	<u>298,127</u>	<u>730,250</u>	<u>318,306</u>
<u>\$ 171,350</u>	<u>\$ 157,847</u>	<u>\$ 259,663</u>	<u>\$ 300,098</u>	<u>\$ 775,057</u>	<u>\$ 320,361</u>

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
<u>ASSETS</u>			
Cash and cash equivalents	\$ 46,128	\$	\$ 19,550
Investments		2,835,558	
Investments - restricted			
Receivables	1,872	69,746	49,843
Prepaid items	3,710		
Interfund advances receivable		26,842	
Total assets	\$ 51,710	\$ 2,932,146	\$ 69,393
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 11,809	\$ 1,744	\$ 9,145
Accrued payroll			
Loan interest payable	328		
Interfund advances payable			
Total liabilities	12,137	1,744	9,145
Deferred inflows of resources:			
Unavailable revenues	1,872		
Fund balances:			
Nonspendable	3,710		
Restricted	33,991	2,930,402	60,248
Committed			
Total fund balances	37,701	2,930,402	60,248
 Total liabilities, deferred inflows of resources and fund balances	\$ 51,710	\$ 2,932,146	\$ 69,393

<u>Public Safety Grant</u>	<u>DWI Grant</u>	<u>Sheriff Forfeiture</u>	<u>Correction</u>	<u>Environmental</u>	<u>Flood Control</u>
\$ 30,897	\$ 186,148	\$ 46,758	\$ 394,077	\$ 102,243	\$ 1,945,466
2,759	88,009 503			34,871 90	72,960 8,498
<u>\$ 33,656</u>	<u>\$ 274,660</u>	<u>\$ 46,758</u>	<u>\$ 394,077</u>	<u>\$ 137,204</u>	<u>\$ 2,026,924</u>
\$ 273 788	\$ 20,799 319	\$	\$ 6,931 43,540	\$ 18,748 590	\$ 14,200 6,215
<u>1,061</u>	<u>21,118</u>		<u>50,471</u>	<u>19,338</u>	<u>20,415</u>
					<u>60,390</u>
32,595	503 253,039		343,606	90 117,776	8,498 1,937,621
<u>32,595</u>	<u>253,542</u>	<u>46,758</u> <u>46,758</u>	<u>343,606</u>	<u>117,866</u>	<u>1,946,119</u>
<u>\$ 33,656</u>	<u>\$ 274,660</u>	<u>\$ 46,758</u>	<u>\$ 394,077</u>	<u>\$ 137,204</u>	<u>\$ 2,026,924</u>

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	<u>Road Special Construction</u>	<u>Clerk Recording and Filing</u>	<u>Property Valuation</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 657,347	\$ 144,983	\$ 585,596
Investments			
Investments - restricted			
Receivables			
Prepaid items			719
Interfund advances receivable			
Total assets	<u>\$ 657,347</u>	<u>\$ 144,983</u>	<u>\$ 586,315</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 4,201	\$ 3,182
Accrued payroll			1,589
Loan interest payable			
Interfund advances payable			
Total liabilities		<u>4,201</u>	<u>4,771</u>
Deferred inflows of resources:			
Unavailable revenues			
Fund balances:			
Nonspendable			719
Restricted			
Committed	<u>657,347</u>	<u>140,782</u>	<u>580,825</u>
Total fund balances	<u>657,347</u>	<u>140,782</u>	<u>581,544</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 657,347</u>	<u>\$ 144,983</u>	<u>\$ 586,315</u>

<u>Other Grants and Contracts</u>	<u>CDBG</u>	<u>Restricted Health Services</u>	<u>Totals</u>
\$ 32,368	\$ 102,000	\$ 50,746	\$ 3,979,337
			4,781,024
204,281			615,550
			524,710
			45,156
			26,842
<u>\$ 236,649</u>	<u>\$ 102,000</u>	<u>\$ 50,746</u>	<u>\$ 9,972,619</u>
\$ 7,031	\$	\$	\$ 156,574
			53,041
			5,640
			26,842
<u>7,031</u>			<u>242,097</u>
			<u>62,262</u>
			45,156
229,618	102,000		8,146,646
		50,746	1,476,458
<u>229,618</u>	<u>102,000</u>	<u>50,746</u>	<u>9,668,260</u>
<u>\$ 236,649</u>	<u>\$ 102,000</u>	<u>\$ 50,746</u>	<u>\$ 9,972,619</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, 2014**

	<u>Farm and Range</u>	<u>Recreation</u>	<u>Dunken Fire District</u>
Revenues:			
Property taxes	\$	\$	\$
Gross receipts taxes			
Other taxes			
State grants and contributions			67,129
Federal grants and contributions	32,644		
Charges for services			
Investment income			
Other			19
Total revenues	<u>32,644</u>	<u></u>	<u>67,148</u>
Expenditures:			
Current -			
General government			
Public safety			29,866
Public works			
Health and welfare	18,263		
Capital outlay			
Debt service -			
Principal			
Interest and fees			
Loan issuance costs			
Total expenditures	<u>18,263</u>	<u></u>	<u>29,866</u>
Excess (deficiency) of revenues over expenditures	<u>14,381</u>	<u></u>	<u>37,282</u>
Other financing sources (uses):			
Transfers out			
Loan proceeds			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>14,381</u>	<u></u>	<u>37,282</u>
Fund balances, beginning of year	1,259	3,161	176,785
Fund balances, end of year	<u>\$ 15,640</u>	<u>\$ 3,161</u>	<u>\$ 214,067</u>

East Grand Plains Fire District	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District	Rio Felix Fire District
\$	\$	\$	\$	\$	\$
95,954	94,482	150,725	176,183	234,918	47,241
	17	64	87	550	
<u>95,954</u>	<u>94,499</u>	<u>150,789</u>	<u>176,270</u>	<u>235,468</u>	<u>47,241</u>
10,946	84,550	61,928	96,031	195,571	25,208
	7,590		84,676	122,727	
33,086		6,604		20,122	
16,002		4,998	111	14,988	
<u>60,034</u>	<u>92,140</u>	<u>73,530</u>	<u>180,818</u>	<u>358,021</u>	<u>25,208</u>
<u>35,920</u>	<u>2,359</u>	<u>77,259</u>	<u>(4,548)</u>	<u>(122,553)</u>	<u>22,033</u>
				619,613	
				619,613	
<u>35,920</u>	<u>2,359</u>	<u>77,259</u>	<u>(4,548)</u>	<u>497,060</u>	<u>22,033</u>
129,933	141,661	170,703	302,675	233,190	296,273
<u>\$ 165,853</u>	<u>\$ 144,020</u>	<u>\$ 247,962</u>	<u>\$ 298,127</u>	<u>\$ 730,250</u>	<u>\$ 318,306</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, 2014**

	<u>Chaves County Fire District #8</u>	<u>Fire and Ambulance Excise Tax</u>	<u>Law Enforcement Grant</u>
Revenues:			
Property taxes	\$	\$	\$
Gross receipts taxes		453,836	
Other taxes			
State grants and contributions	71,402		42,564
Federal grants and contributions			
Charges for services			
Investment income		6,923	
Other			
Total revenues	<u>71,402</u>	<u>460,759</u>	<u>42,564</u>
Expenditures:			
Current -			
General government			
Public safety	62,115		46,028
Public works			
Health and welfare			
Capital outlay		640,869	
Debt service -			
Principal	6,270		
Interest and fees	2,588		
Loan issuance costs			
Total expenditures	<u>70,973</u>	<u>640,869</u>	<u>46,028</u>
Excess (deficiency) of revenues over expenditures	<u>429</u>	<u>(180,110)</u>	<u>(3,464)</u>
Other financing sources (uses):			
Transfers out			
Loan proceeds			
Total other financing sources (uses):			
Changes in fund balances	<u>429</u>	<u>(180,110)</u>	<u>(3,464)</u>
Fund balances, beginning of year	37,272	3,110,512	63,712
Fund balances, end of year	<u>\$ 37,701</u>	<u>\$ 2,930,402</u>	<u>\$ 60,248</u>

<u>Public Safety Grant</u>	<u>DWI Grant</u>	<u>Sheriff Forfeiture</u>	<u>Correction</u>	<u>Environmental</u>	<u>Flood Control</u>
\$	\$	\$	\$	\$	\$
10,718	414,025		150,228	226,905	1,262,076
100	99,909	1,358			47
<u>10,818</u>	<u>513,934</u>	<u>1,358</u>	<u>150,228</u>	<u>226,905</u>	<u>1,262,123</u>
26,933	503,314		167,833		963,977
	26,763	28,762		274,750	69,135
<u>26,933</u>	<u>530,077</u>	<u>28,762</u>	<u>167,833</u>	<u>274,750</u>	<u>1,033,112</u>
<u>(16,115)</u>	<u>(16,143)</u>	<u>(27,404)</u>	<u>(17,605)</u>	<u>(47,845)</u>	<u>229,011</u>
<u>(16,115)</u>	<u>(16,143)</u>	<u>(27,404)</u>	<u>(17,605)</u>	<u>(47,845)</u>	<u>229,011</u>
48,710	269,685	74,162	361,211	165,711	1,717,108
<u>\$ 32,595</u>	<u>\$ 253,542</u>	<u>\$ 46,758</u>	<u>\$ 343,606</u>	<u>\$ 117,866</u>	<u>\$ 1,946,119</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, 2014**

	<u>Road Special Construction</u>	<u>Clerk Recording and Filing</u>	<u>Property Valuation</u>
Revenues:			
Property taxes	\$	\$	\$
Gross receipts taxes			
Other taxes			274,799
State grants and contributions			
Federal grants and contributions			
Charges for services		64,512	
Investment income	6		
Other	115,000		
Total revenues	<u>115,006</u>	<u>64,512</u>	<u>274,799</u>
Expenditures:			
Current -			
General government		61,551	151,401
Public safety			
Public works			
Health and welfare			
Capital outlay		40,779	35,443
Debt service -			
Principal			
Interest and fees			
Loan issuance costs			
Total expenditures		<u>102,330</u>	<u>186,844</u>
Excess (deficiency) of revenues over expenditures	<u>115,006</u>	<u>(37,818)</u>	<u>87,955</u>
Other financing sources (uses):			
Transfers out			
Loan proceeds			
Total other financing sources (uses):			
Changes in fund balances	<u>115,006</u>	<u>(37,818)</u>	<u>87,955</u>
Fund balances, beginning of year	542,341	178,600	493,589
Fund balances, end of year	<u>\$ 657,347</u>	<u>\$ 140,782</u>	<u>\$ 581,544</u>

Other Grants and Contracts	CDBG	Restricted Health Services	Totals
\$	\$	\$	\$ 1,262,076
			680,741
			274,799
797,590			2,353,206
20,416			53,060
			64,512
			7,479
			216,554
<u>818,006</u>			<u>4,912,427</u>
			212,952
190,677			1,501,000
			963,977
		691,941	984,954
917,212			1,973,956
			66,082
			38,687
			4,613
<u>1,107,889</u>		<u>691,941</u>	<u>5,746,221</u>
<u>(289,883)</u>		<u>(691,941)</u>	<u>(833,794)</u>
(100,000)			(100,000)
<u>(100,000)</u>			<u>619,613</u>
			519,613
<u>(389,883)</u>		<u>(691,941)</u>	<u>(314,181)</u>
619,501	102,000	742,687	9,982,441
<u>\$ 229,618</u>	<u>\$ 102,000</u>	<u>\$ 50,746</u>	<u>\$ 9,668,260</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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Federal grants and contributions	46,000	46,600	32,644	(13,956)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>46,000</u>	<u>46,600</u>	<u>32,644</u>	<u>(13,956)</u>
Cash balance carryforward	<u>1,259</u>	<u>1,259</u>		
Total	<u>\$ 47,259</u>	<u>\$ 47,859</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	45,000	45,000	18,263	26,737
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>18,263</u>	<u>26,737</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			14,381	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 14,381</u>	

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - RECREATION
 YEAR ENDED JUNE 30, 2014

	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	\$ 3,161	\$ 3,161		
Total	\$ 3,161	\$ 3,161		
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:				
Unbudgeted revenue accruals				
Unbudgeted 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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	67,129	67,129	67,129	
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other		20	19	(1)
Total revenues	67,129	67,149	67,148	(1)
Cash balance carryforward	173,425	173,425		
Total	\$ 240,554	\$ 240,574		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	84,775	72,020	29,866	42,154
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	105,000	117,735		117,735
Debt service -				
Principal				
Interest and fees				
Total expenditures	189,775	189,755	29,866	159,889
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			37,282	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 37,282	

**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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	145,482	145,482	95,954	(49,528)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>145,482</u>	<u>145,482</u>	<u>95,954</u>	<u>(49,528)</u>
Cash balance carryforward	<u>125,177</u>	<u>125,177</u>		
Total	<u>\$ 270,659</u>	<u>\$ 270,659</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	89,563	94,773	10,946	83,827
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	51,967	46,790		46,790
Debt service -				
Principal			33,086	(33,086)
Interest and fees			16,002	(16,002)
Total expenditures	<u>141,530</u>	<u>141,563</u>	<u>60,034</u>	<u>81,529</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			35,920	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 35,920</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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	94,482	94,482	94,482	
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other			17	17
Total revenues	<u>94,482</u>	<u>94,482</u>	<u>94,499</u>	<u>17</u>
Cash balance carryforward	<u>138,241</u>	<u>138,241</u>		
Total	<u>\$ 232,723</u>	<u>\$ 232,723</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	117,060	136,560	84,550	52,010
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	27,000	8,000	7,590	410
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>144,060</u>	<u>144,560</u>	<u>92,140</u>	<u>52,420</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			2,359	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 2,359</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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	152,762	152,762	150,725	(2,037)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other		70	64	(6)
Total revenues	152,762	152,832	150,789	(2,043)
Cash balance carryforward	167,340	167,340		
Total	\$ 320,102	\$ 320,172		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	131,269	142,115	61,928	80,187
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	18,683	7,767		7,767
Debt service -				
Principal			6,604	(6,604)
Interest and fees			4,998	(4,998)
Total expenditures	149,952	149,882	73,530	76,352
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			77,259	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 77,259	

**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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	174,310	176,190	176,183	(7)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other		90	87	(3)
Total revenues	<u>174,310</u>	<u>176,280</u>	<u>176,270</u>	<u>(10)</u>
Cash balance carryforward	<u>304,506</u>	<u>304,506</u>		
Total	<u>\$ 478,816</u>	<u>\$ 480,786</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	188,225	186,314	96,031	90,283
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	110,000	136,000	84,676	51,324
Debt service -				
Principal				
Interest and fees			111	(111)
Total expenditures	<u>298,225</u>	<u>322,314</u>	<u>180,818</u>	<u>141,496</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(4,548)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ (4,548)</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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	211,886	214,166	234,918	20,752
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other			550	550
Total revenues	<u>211,886</u>	<u>214,166</u>	<u>235,468</u>	<u>21,302</u>
Cash balance carryforward	<u>261,000</u>	<u>261,000</u>		
Total	<u>\$ 472,886</u>	<u>\$ 475,166</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	188,947	340,572	195,571	145,001
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	695,000	551,895	122,727	429,168
Debt service -				
Principal			20,122	(20,122)
Interest and fees			14,988	(14,988)
Loan issuance costs			4,613	(4,613)
Total expenditures	<u>883,947</u>	<u>892,467</u>	<u>358,021</u>	<u>534,446</u>
Other financing sources (uses):				
Loan proceeds	615,000	615,000	619,613	(4,613)
Transfers in				
Transfers out				
Total other financing sources (uses)	<u>615,000</u>	<u>615,000</u>	<u>619,613</u>	<u>(4,613)</u>
Change in fund balance - budgetary basis			497,060	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 497,060</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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	47,241	47,241	47,241	
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>47,241</u>	<u>47,241</u>	<u>47,241</u>	
Cash balance carryforward	<u>293,521</u>	<u>293,521</u>		
Total	<u>\$ 340,762</u>	<u>\$ 340,762</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	87,037	84,967	25,208	59,759
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	100,000	102,070		102,070
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>187,037</u>	<u>187,037</u>	<u>25,208</u>	<u>161,829</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			22,033	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 22,033</u>	

**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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	72,358	74,408	71,402	(3,006)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	72,358	74,408	71,402	(3,006)
Cash balance carryforward	39,943	39,943		
Total	\$ 112,301	\$ 114,351		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	74,240	80,617	62,115	18,502
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	8,427			
Debt service -				
Principal			6,270	(6,270)
Interest and fees			2,260	(2,260)
Total expenditures	82,667	80,617	70,645	9,972
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			757	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals			(328)	
Change in fund balance - GAAP basis			\$ 429	

**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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	602,550	602,550	478,112	(124,438)
State grants and contributions				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income	1,400	1,400	6,923	5,523
Contributions				
Other				
Total revenues	603,950	603,950	485,035	(118,915)
Cash balance carryforward	2,973,482	2,973,482		
Total	\$ 3,577,432	\$ 3,577,432		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	458,000	685,020	640,869	44,151
Debt service -				
Principal				
Interest and fees				
Total expenditures	458,000	685,020	640,869	44,151
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(155,834)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(24,276)	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (180,110)	

**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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	43,400	43,400	42,564	(836)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	43,400	43,400	42,564	(836)
Cash balance carryforward	14,714	14,714		
Total	\$ 58,114	\$ 58,114		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	42,200	48,420	46,028	2,392
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	42,200	48,420	46,028	2,392
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(3,464)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (3,464)	

**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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions			10,718	10,718
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other		100	100	
Total revenues		<u>100</u>	<u>10,818</u>	<u>10,718</u>
Cash balance carryforward	<u>47,363</u>	<u>47,363</u>		
Total	<u>\$ 47,363</u>	<u>\$ 47,463</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety		26,955	26,933	22
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures		<u>26,955</u>	<u>26,933</u>	<u>22</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(16,115)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ (16,115)</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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	426,958	439,044	409,612	(29,432)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other	108,300	108,400	99,909	(8,491)
Total revenues	<u>535,258</u>	<u>547,444</u>	<u>509,521</u>	<u>(37,923)</u>
Cash balance carryforward	<u>189,204</u>	<u>189,204</u>		
Total	<u>\$ 724,462</u>	<u>\$ 736,648</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	463,844	606,929	503,314	103,615
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees			26,763	(26,763)
Total expenditures	<u>463,844</u>	<u>606,929</u>	<u>530,077</u>	<u>76,852</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(20,556)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			4,413	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ (16,143)</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other			1,358	1,358
Total revenues			<u>1,358</u>	<u>1,358</u>
Cash balance carryforward	<u>74,162</u>	<u>74,162</u>		
Total	<u>\$ 74,162</u>	<u>\$ 74,162</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay		29,052	28,762	290
Debt service -				
Principal				
Interest and fees				
Total expenditures		<u>29,052</u>	<u>28,762</u>	<u>290</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(27,404)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ (27,404)</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CORRECTION
YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	225,000	225,000	150,228	(74,772)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	225,000	225,000	150,228	(74,772)
Cash balance carryforward	365,811	365,811		
Total	\$ 590,811	\$ 590,811		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	267,125	267,125	167,833	99,292
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	267,125	267,125	167,833	99,292
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(17,605)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (17,605)	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ENVIRONMENTAL
YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	221,100	221,100	239,044	17,944
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>221,100</u>	<u>221,100</u>	<u>239,044</u>	<u>17,944</u>
Cash balance carryforward	<u>133,604</u>	<u>133,604</u>		
Total	<u>\$ 354,704</u>	<u>\$ 354,704</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	301,952	330,191	274,750	55,441
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>301,952</u>	<u>330,191</u>	<u>274,750</u>	<u>55,441</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(35,706)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(12,139)	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ (47,845)</u>	

**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, 2014**

	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		1,140	3,860	2,720
Total revenues		1,140	3,860	2,720
Cash balance carryforward	44,405	44,405		
Total	\$ 44,405	\$ 45,545		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	2,500	3,640	3,637	3
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	2,500	3,640	3,637	3
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			223	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance reported in the General Fund			(223)	
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, 2014**

	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	1,470,000	1,525,000	1,225,314	(299,686)
Contributions				
Other				
Total revenues	1,470,000	1,525,000	1,225,314	(299,686)
Cash balance carryforward	5,843,026	5,843,026		
Total	\$ 7,313,026	\$ 7,368,026		
Expenditures:				
Current -				
General government		\$ 55,000	52,401	2,599
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures		55,000	52,401	2,599
Other financing sources (uses):				
Transfers in				
Transfers out	(5,250,000)	(5,250,000)	(1,750,000)	
Total other financing sources (uses)	(5,250,000)	5,250,000	(1,750,000)	
Change in fund balance - budgetary basis			(577,087)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance reported in the General Fund			577,087	
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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$ 1,033,000	\$ 1,033,000	\$ 1,293,038	\$ 260,038
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions	5,000	5,000	47	(4,953)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>1,038,000</u>	<u>1,038,000</u>	<u>1,293,085</u>	<u>255,085</u>
Cash balance carryforward	<u>1,689,293</u>	<u>1,689,283</u>		
Total	<u>\$ 2,727,293</u>	<u>\$ 2,727,283</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works	1,162,483	1,182,573	965,776	216,797
Culture and recreation				
Health and welfare				
Capital outlay	112,000	91,910	69,135	22,775
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>1,274,483</u>	<u>1,274,483</u>	<u>1,034,911</u>	<u>239,572</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			258,174	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(30,962)	
Unbudgeted expenditure accruals			<u>1,799</u>	
Change in fund balance - GAAP basis			<u>\$ 229,011</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, 2014**

	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			6	6
Contributions				
Other	115,000	115,000	115,000	
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>115,006</u>	<u>6</u>
Cash balance carryforward	<u>427,341</u>	<u>427,341</u>		
Total	<u>\$ 542,341</u>	<u>\$ 542,341</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	445,675	445,675		445,675
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>445,675</u>	<u>445,675</u>		<u>445,675</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			115,006	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 115,006</u>	

**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, 2014**

	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	70,000	70,000	64,512	(5,488)
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	70,000	70,000	64,512	(5,488)
Cash balance carryforward	178,600	178,600		
Total	\$ 248,600	\$ 248,600		
Expenditures:				
Current -				
General government	\$ 85,500	\$ 85,500	61,551	23,949
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	32,000	32,000	40,779	(8,779)
Debt service -				
Principal				
Interest and fees				
Total expenditures	117,500	117,500	102,330	15,170
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(37,818)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (37,818)	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PROPERTY VALUATION
YEAR ENDED JUNE 30, 2014**

	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	230,000	230,000	274,799	44,799
Total revenues	<u>230,000</u>	<u>230,000</u>	<u>274,799</u>	<u>44,799</u>
Cash balance carryforward	<u>501,423</u>	<u>501,423</u>		
Total	<u>\$ 731,423</u>	<u>\$ 731,423</u>		
Expenditures:				
Current -				
General government	\$ 223,056	\$ 231,372	151,401	79,971
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	22,500	35,443	35,443	
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>245,556</u>	<u>266,815</u>	<u>186,844</u>	<u>79,971</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			87,955	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 87,955</u>	

**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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
State grants and contributions	987,898	1,866,932	649,245	(1,217,687)
Federal grants and contributions			71,020	71,020
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>987,898</u>	<u>1,866,932</u>	<u>720,265</u>	<u>(1,146,667)</u>
Cash balance carryforward	<u>538,102</u>	<u>538,102</u>		
Total	<u>\$ 1,526,000</u>	<u>\$ 2,405,034</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	138,452	207,270	190,677	16,593
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	815,298	1,678,002	926,595	751,407
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>953,750</u>	<u>1,885,272</u>	<u>1,117,272</u>	<u>768,000</u>
Other financing sources (uses):				
Transfers in				
Transfers out			(100,000)	100,000
Total other financing sources (uses)			<u>(100,000)</u>	<u>100,000</u>
Change in fund balance - budgetary basis			(497,007)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			97,741	
Unbudgeted expenditure accruals			<u>9,383</u>	
Change in fund balance - GAAP basis			<u>\$ (389,883)</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CDBG
YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Federal grants and contributions				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues				
Cash balance carryforward	102,000	102,000		
Total	\$ 102,000	\$ 102,000		
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				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted 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 - RESTRICTED HEALTH SERVICES
YEAR ENDED JUNE 30, 2014**

	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	746,473	746,473		
Total	\$ 746,473	\$ 746,473		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	590,000	691,952	691,941	11
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	590,000	691,952	691,941	11
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(691,941)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (691,941)	

(This page intentionally left blank)

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. The fund has been omitted from the combining balance sheet as there are no balances present at year end.

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, 2014**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve
<u>ASSETS</u>			
Cash and cash equivalents	\$ 42,270	\$	\$
Cash and cash equivalents - restricted			1,000,000
Investments		4,887,979	
Receivables		406,853	
Total assets	\$ 42,270	\$ 5,294,832	\$ 1,000,000
Fund balances:			
Restricted	\$ 42,270	\$ 5,294,832	\$ 1,000,000
Total fund balances	42,270	5,294,832	1,000,000
 Total liabilities and fund balances	 \$ 42,270	 \$ 5,294,832	 \$ 1,000,000

Totals

\$	42,270
	1,000,000
	4,887,979
	406,853
\$	<u>6,337,102</u>

\$	6,337,102
	<u>6,337,102</u>

\$	<u>6,337,102</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, 2014**

	G.O. Bond	2007 Refunding Bonds	Revenue Bond #2
Revenues:			
Gross receipts taxes	\$	\$	\$ 2,449,625
Total revenues	<u> </u>	<u> </u>	<u>2,449,625</u>
Expenditures:			
Debt service -			
Principal		885,000	
Interest and fees		260,070	
Total expenditures	<u> </u>	<u>1,145,070</u>	<u> </u>
Excess (deficiency) of revenues over expenditures	<u> </u>	<u>(1,145,070)</u>	<u>2,449,625</u>
Other financing sources (uses):			
Transfers in		1,160,000	
Transfers out	(440)		(1,910,000)
Total other financing sources (uses):	<u>(440)</u>	<u>1,160,000</u>	<u>(1,910,000)</u>
Changes in fund balances	<u>(440)</u>	<u>14,930</u>	<u>539,625</u>
Fund balances, beginning of year	440	27,340	4,755,207
Fund balances, end of year	<u>\$</u>	<u>\$ 42,270</u>	<u>\$ 5,294,832</u>

Revenue Bond Reserve	Totals
<u>\$</u>	<u>\$ 2,449,625</u>
	<u>2,449,625</u>
	885,000
	260,070
	<u>1,145,070</u>
	1,304,555
	1,160,000
	<u>(1,910,440)</u>
	<u>(750,440)</u>
	554,115
1,000,000	5,782,987
<u>\$ 1,000,000</u>	<u>\$ 6,337,102</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, 2014**

	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	440	440		
Total	\$ 440	\$ 440		
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		(440)	(440)	
Total other financing sources (uses)		(440)	(440)	
Change in fund balance - budgetary basis			(440)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (440)	

**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, 2014**

	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	27,340	27,340		
Total	<u>\$ 27,340</u>	<u>\$ 27,340</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal	885,000	885,000	885,000	
Interest and fees	278,350	278,350	260,070	18,280
Total expenditures	<u>1,163,350</u>	<u>1,163,350</u>	<u>1,145,070</u>	<u>18,280</u>
Other financing sources (uses):				
Transfers in	1,160,000	1,160,000	1,160,000	
Transfers out				
Total other financing sources (uses)	<u>1,160,000</u>	<u>1,160,000</u>	<u>1,160,000</u>	
Change in fund balance - budgetary basis			14,930	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 14,930</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, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	2,215,000	2,215,000	2,456,373	241,373
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	2,215,000	2,215,000	2,456,373	241,373
Cash balance carryforward	4,341,606	4,341,606		
Total	\$ 6,556,606	\$ 6,556,606		
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	(3,410,000)	(3,410,000)	(1,910,000)	1,500,000
Total other financing sources (uses)	(3,410,000)	(3,410,000)	(1,910,000)	1,500,000
Change in fund balance - budgetary basis			546,373	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(6,748)	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 539,625	

**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, 2014**

	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	1,000,000	1,000,000		
Total	\$ 1,000,000	\$ 1,000,000		
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				
Total other financing sources (uses)				
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$	

(This page intentionally left blank)

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, 2014**

	Emergency Capital Outlay	Admin Center Construction	Courthouse Construction
<u>ASSETS</u>			
Cash and cash equivalents	\$ 180,920	\$	\$
Total assets	\$ 180,920	\$	\$
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 206,706	\$	\$
Total liabilities	206,706	\$	\$
Fund balances (deficits):			
Unassigned	(25,786)		
Total fund balances	(25,786)	\$	\$
Total liabilities and fund balances	\$ 180,920	\$	\$

Totals

\$ 180,920
\$ 180,920

\$ 206,706
206,706

(25,786)
(25,786)

\$ 180,920

**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, 2014**

	Emergency Capital Outlay	Admin Center Construction	Courthouse Construction
Expenditures:			
Capital outlay	\$ 791,349	\$	\$
Total expenditures	<u>791,349</u>	<u></u>	<u></u>
Excess (deficiency) of revenues over expenditures	<u>(791,349)</u>	<u></u>	<u></u>
Other financing sources (uses):			
Transfers in	750,000		
Transfers out		(682)	(24,259)
Total other financing sources (uses):	<u>750,000</u>	<u>(682)</u>	<u>(24,259)</u>
Changes in fund balances	<u>(41,349)</u>	<u>(682)</u>	<u>(24,259)</u>
Fund balances, beginning of year	15,563	682	24,259
Fund balances (deficits), end of year	<u>\$ (25,786)</u>	<u>\$</u>	<u>\$</u>

Totals

\$ 791,349
791,349

(791,349)

750,000

(24,941)

725,059

(66,290)

40,504

\$ (25,786)

**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, 2014**

	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	222,910	222,910		
Total	\$ 222,910	\$ 222,910		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	803,959	847,909	719,526	128,383
Debt service -				
Principal				
Interest and fees				
Total expenditures	803,959	847,909	719,526	128,383
Other financing sources (uses):				
Transfers in	750,000	766,902	750,000	(16,902)
Transfers out				
Total other financing sources (uses)	750,000	766,902	750,000	(16,902)
Change in fund balance - budgetary basis			30,474	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals			(71,823)	
Change in fund balance - GAAP basis			\$ (41,349)	

**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, 2014**

	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	682	682		
Total	\$ 682	\$ 682		
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		(682)	(682)	
Total other financing sources (uses)		(682)	(682)	
Change in fund balance - budgetary basis			(682)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (682)	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - COURTHOUSE CONSTRUCTION
YEAR ENDED JUNE 30, 2014**

	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	24,259	24,259		
Total	\$ 24,259	\$ 24,259		
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		(24,259)	(24,259)	
Total other financing sources (uses)		(24,259)	(24,259)	
Change in fund balance - budgetary basis			(24,259)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (24,259)	

INTERNAL SERVICE FUND

Internal Service - to account for activities related to the County's purchase of bulk supplies and phone services which are then charged to the departments that utilize the supplies and services.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL - INTERNAL SERVICE
YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Operating revenues:				
Sale of supplies	\$ 42,000	\$ 51,626	\$ 70,207	\$ (18,581)
Charges for services	36,800	43,979	61,075	(17,096)
Total operating revenues	<u>78,800</u>	<u>95,605</u>	<u>131,282</u>	<u>(35,677)</u>
Cash balance carryforward	<u>138,784</u>	<u>138,784</u>		
Total	<u>\$ 217,584</u>	<u>\$ 234,389</u>		
Operating expenses:				
General and administrative	\$	\$		
Personnel services				
Services				
Supplies	24,820	72,025	38,348	33,677
Maintenance and materials				
Utilities				
Other				
Total operating expenses	<u>24,820</u>	<u>72,025</u>	<u>38,348</u>	<u>33,677</u>
Operating income (loss)			<u>92,934</u>	<u>(2,000)</u>
Non-operating revenues				
Operating grants				
Interest income				
Interest expense				
Other				
Total non-operating revenues (expenses)				
Change in net position - budgetary basis			92,934	
Reconciliation to change in net position - GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Services budgeted in other funds			(58,461)	
Change in net position - GAAP basis			<u>\$ 34,473</u>	

OTHER SUPPLEMENTARY INFORMATION

The following schedules are requirements of the New Mexico Office of the State Auditor (2.2.2. NMAC).

Schedule of Deposit and Investment Accounts

Schedule of Pledged Collateral

Tax Roll Reconciliation of Changes in the County Treasurer's Property Tax Receivable

Property Tax Schedule

Schedule of Joint Powers Agreements

Schedule of Memorandums of Understanding

(This page intentionally left blank)

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 AGENCY FUND ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2014

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>
<u>TREASURER'S FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 422,099	\$ 10,498,024	\$ 10,243,654	\$ 676,469
Taxes receivable	<u>1,702,097</u>	<u>19,464,211</u>	<u>19,932,861</u>	<u>1,233,447</u>
Total assets	<u>\$ 2,124,196</u>	<u>\$ 29,962,235</u>	<u>\$ 30,176,515</u>	<u>\$ 1,909,916</u>
<u>Liabilities</u>				
Deposits held for others	\$ 58,513	\$ 130,465	\$ 129,424	\$ 59,554
Due to other taxing entities	<u>2,065,683</u>	<u>29,831,770</u>	<u>30,047,091</u>	<u>1,850,362</u>
Total liabilities	<u>\$ 2,124,196</u>	<u>\$ 29,962,235</u>	<u>\$ 30,176,515</u>	<u>\$ 1,909,916</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2014**

	<u>Account Type</u>	<u>Total Deposits and Investments</u>	<u>Reconciling Items</u>	<u>Reconciled Balance</u>
James Polk Stone Community Bank	Checking	\$ 6,831,499	\$ (990,118)	\$ 5,841,381
James Polk Stone Community Bank	Checking	17,678	(11,870)	5,808
James Polk Stone Community Bank	Savings	657,347		657,347
James Polk Stone Community Bank	Checking	102,000		102,000
James Polk Stone Community Bank	Checking	50,746		50,746
Cutwater Asset Management	FHLB	11,638,387		11,638,387
Cutwater Asset Management	FHLMC	8,661,229		8,661,229
Cutwater Asset Management	FNMA	13,619,865		13,619,865
Cutwater Asset Management	Corporate	22,084,427		22,084,427
Cutwater Asset Management	Money Market	196,472		196,472
Cutwater Asset Management	Treasury Notes	10,801,062		10,801,062
NM State Investment Pool	State Treasurer LGIP	6,883,209		6,883,209
NM State Investment Pool	State Treasurer Reserve Contingencies	2,813		2,813
Pioneer Bank	Checking	35,961	21,369	57,330
Pioneer Bank	Checking	2,224		2,224
Washington Federal	Money Market	1,009,533		1,009,533
Wells Fargo/Advisors	Checking	100,000		100,000
Wells Fargo/Advisors	Money Market	500,139		500,139
Bank of Albuquerque	NMFA Pooled Debt Service Account	1,140,268		1,140,268
		<u>\$ 84,334,859</u>	<u>\$ (980,619)</u>	<u>\$ 83,354,240</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2014**

	James Polk Community Bank	Pioneer Bank	Wells Fargo	Cutwater Asset Management	Washington Federal	Total
Bank Accounts:						
Checking accounts	\$ 7,001,923	\$ 38,185	\$ 100,000	\$	\$	\$ 7,140,108
Savings accounts	657,347		500,139	196,472	1,009,533	2,363,491
Total amount of deposits	<u>7,659,270</u>	<u>38,185</u>	<u>600,139</u>	<u>196,472</u>	<u>1,009,533</u>	<u>9,503,599</u>
Less: FDIC coverage	500,000	38,185	350,000	196,472	250,000	1,334,657
Total uninsured public funds	<u>7,159,270</u>	<u>250,139</u>	<u>250,139</u>	<u>196,472</u>	<u>759,533</u>	<u>8,168,942</u>
Collateral requirements (Per 6-10-10 & 6-10-17, NMSA 1978):						
50% of uninsured time and demand accounts	3,579,635		125,070		379,767	4,084,471
Pledged collateral at fair market value:						
Type	Description	Maturity	CUSIP Number			
Note	FNMA (1)	12/15/2016	31359M2D4			
Bond	Farmington NM MSD BQ Nonc (1)	09/01/2014	311441JL4			
Bond	Lea Co NM Public SD #8 Eunice (1)	07/15/2015	521513CA7			
Bond	Lea Co NM SD #28 BQ (1)	10/01/2015	521570AL5			
Bond	Lea Co NM SD #28 BQ (1)	10/01/2016	521570AM3			
Bond	Los Alamos NM Public Sch Dist (1)	08/01/2014	54422NA Y8			
Bond	Los Alamos NM Public Sch Nonc (1)	08/01/2015	54422NBT2			
Bond	Los Alamos NM Public Sch Dist (1)	08/01/2015	54422NDD5			
Bond	Los Alamos NM Public SD BQ (1)	08/01/2017	54422NDS2			
Bond	New Mexico St. Military Inst (1)	06/01/2022	647183BL5			
Bond	Portales NM Muni SD #1 BQ (1)	01/15/2015	736151CV1			
Bond	Torrance ETC Cnty's NM Muni SD (1)	05/15/2017	891400ND1			
Note	FHLB (2)	12/10/2021	313381AV7			
Note	FHLMC 1 Yr Cmt (2)	11/01/2034	782804			
Note	FNAS (2)	07/01/2043	3138W9BD1			
Note	FNMA (2)	01/01/2043	31418ANY0			
Note	FHLMC Gold PC A94288 (2)	08/20/2061	3620E0NW2			
Total collateral				<u>5,868,043</u>	<u>200,355</u>	<u>148,565</u>
Over / (under) secured				\$	\$	\$
Custodial Credit Risk:						
Insured						
Collateralized with securities held by pledging financial institution's trust department				\$	\$	\$
Uninsured and uncollateralized				196,472	608,298	6,624,906
Total deposits	<u>7,659,270</u>	<u>38,185</u>	<u>600,139</u>	<u>196,472</u>	<u>1,009,533</u>	<u>9,503,599</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, 2014**

Property taxes receivable, beginning of year	\$	2,211,958
Changes to Tax Roll:		
Net taxes charged to Treasurer for fiscal year		29,215,895
Adjustments:		
Increases in taxes receivable		(231,127)
		31,196,726
Total receivables prior to collections		31,196,726
Collections for fiscal year ended June 30, 2014		(29,521,250)
		1,675,476
Property taxes receivable, end of year	\$	1,675,476

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

	2004	5,432
	2005	6,423
	2006	5,745
	2007	3,121
	2008	5,642
	2009	12,824
	2010	22,674
	2011	84,992
	2012	455,339
	2013	1,073,284
		1,675,476
Total taxes receivable, net	\$	1,675,476

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE
YEAR ENDED JUNE 30, 2014**

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.						
2004-2012	\$ 37,134,873	\$ 140,827	\$ 37,053,288	\$ 140,827	\$ 37,053,288	\$ 81,585
2013	4,778,418	4,674,589	4,674,589	4,674,589	4,674,589	103,829
Total	41,913,292	4,815,416	41,727,877	4,815,416	41,727,877	185,415
County Operational Res.						
2004-2012	27,548,051	173,370	27,461,549	173,370	27,461,549	86,502
2013	3,811,789	3,629,433	3,629,433	3,629,433	3,629,433	182,357
Total	31,359,840	3,802,803	31,090,982	3,802,803	31,090,982	268,859
County Debt Service						
2004-2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
Total	-	-	-	-	-	-
Total Chaves County	\$ 73,273,132	\$ 8,618,218	\$ 72,818,859	\$ 8,618,218	\$ 72,818,859	\$ 454,273
State of New Mexico:						
State Debt						
2004-2012	\$ 9,841,275	\$ 54,135	\$ 9,813,077	\$ 54,135	\$ 9,813,077	\$ 28,198
2013	1,410,857	1,359,736	1,359,736	1,359,736	1,359,736	51,122
Total	11,252,132	1,413,871	11,172,812	1,413,871	11,172,812	79,319
Cattle						
2004-2012	456,334	624	452,606	624	452,606	3,728
2013	59,912	54,296	54,296	54,296	54,296	5,617
Total	516,246	54,919	506,901	54,919	506,901	9,345
Horse						
2004-2012	20,292	36	20,048	36	20,048	245
2013	1,560	1,387	1,387	1,387	1,387	173
Total	21,853	1,423	21,435	1,423	21,435	418
Dairy						
2004-2012	1,248,334		1,243,260		1,243,260	5,074
2013	161,115	161,113	161,113	161,113	161,113	2
Total	1,409,449	161,113	1,404,373	161,113	1,404,373	5,076
Sheep and Goats						
2004-2012	24,577	4	24,568	4	24,568	9
2013	2,351	1,162	1,162	1,162	1,162	1,189
Total	26,928	1,166	25,730	1,166	25,730	1,199
Bison						
2004-2012	52		52		52	-
2013	4	4	4	4	4	-
Total	56	4	56	4	56	-
Ratites						
2004-2012	2		2		2	
2013	3	3	3	3	3	
Total	5	3	5	3	5	
Llamas						
2004-2012	5		5		5	
2013	18	18	18	18	18	
Total	23	18	23	18	23	
Total State of New Mexico	\$ 13,226,691	\$ 1,632,517	\$ 13,131,334	\$ 1,632,517	\$ 13,131,334	\$ 95,357
Municipalities:						
City of Roswell Non-Res.						
2004-2012	\$ 13,238,756	\$ 54,743	\$ 13,208,015	\$ 54,743	\$ 13,208,015	\$ 30,741
2013	1,698,996	1,654,757	1,654,757	1,654,757	1,654,757	44,239
Total	14,937,752	1,709,500	14,862,772	1,709,500	14,862,772	74,980
City of Roswell Res.						
2004-2012	21,733,996	129,341	21,665,408	129,341	21,665,408	68,588
2013	2,952,402	2,808,850	2,808,850	2,808,850	2,808,850	143,552
Total	24,686,398	2,938,191	24,474,258	2,938,191	24,474,258	212,140
City of Roswell Debt Service						
2004-2012	5,763,864	32,861	5,746,290	32,861	5,746,290	17,573
2013	792,157	759,769	759,769	759,769	759,769	32,387
Total	6,556,020	792,631	6,506,060	792,631	6,506,060	49,961
Town of Lake Arthur Non-Res.						
2004-2012	8,246	7	8,221	7	8,221	24
2013	1,066	1,043	1,043	1,043	1,043	24
Total	9,312	1,049	9,264	1,049	9,264	48
Town of Lake Arthur Res.						
2004-2012	16,687	271	16,462	271	16,462	225
2013	2,731	2,492	2,492	2,492	2,492	239
Total	\$ 19,418	\$ 2,763	\$ 18,954	\$ 2,763	\$ 18,954	\$ 464

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.	2004-2012	\$ 24,972	\$ 239	\$ 24,888	\$ 239	\$ 24,888	\$ 84
	2013	4,811	4,712	4,712	4,712	4,712	99
	Total	29,783	4,951	29,600	4,951	29,600	183
Town of Hagerman Res.	2004-2012	51,677	514	51,474	514	51,474	203
	2013	7,198	6,397	6,397	6,397	6,397	800
	Total	58,875	6,911	57,872	6,911	57,872	1,003
Town of Dexter Non-Res.	2004-2012	36,458	455	36,225	455	36,225	233
	2013	5,098	4,716	4,716	4,716	4,716	382
	Total	41,556	5,171	40,941	5,171	40,941	615
Town of Dexter Res.	2004-2012	57,037	417	56,821	417	56,821	216
	2013	8,316	7,902	7,902	7,902	7,902	414
	Total	65,353	8,319	64,723	8,319	64,723	630
Total Municipalities		\$ 46,404,467	\$ 5,469,486	\$ 46,064,444	\$ 5,469,486	\$ 46,064,444	\$ 340,023
School Districts:							
ENMU Non-Res.	2004-2012	\$ 3,505,789	\$ 13,540	\$ 3,497,910	\$ 13,540	\$ 3,497,910	\$ 7,879
	2013	451,400	442,210	442,210	442,210	442,210	9,189
	Total	3,957,189	455,750	3,940,121	455,750	3,940,121	17,068
ENMU Res.	2004-2012	3,707,400	23,488	3,695,680	23,488	3,695,680	11,720
	2013	514,267	489,757	489,757	489,757	489,757	24,510
	Total	4,221,667	513,245	4,185,437	513,245	4,185,437	36,230
ENMU Debt Service	2004-2012	10,058,304	46,500	10,035,015	46,500	10,035,015	23,290
	2013	1,060,584	1,022,792	1,022,792	1,022,792	1,022,792	37,792
	Total	11,118,889	1,069,292	11,057,807	1,069,292	11,057,807	61,082
NM Jr. College Non-Res.	2004-2012	4,706		4,706		4,706	
	2013	1,132	1,132	1,132	1,132	1,132	
	Total	5,839	1,132	5,839	1,132	5,839	
NM Jr. College Res.	2004-2012	1,065		1,065		1,065	
	2013	133	133	133	133	133	
	Total	1,198	133	1,198	133	1,198	
Roswell Ind. Schools Non-Res.	2004-2012	5,026,363	5,691	5,022,356	5,691	5,022,356	4,007
	2013	188,534	184,397	184,397	184,397	184,397	4,137
	Total	5,214,897	190,088	5,206,753	190,088	5,206,753	8,144
Roswell Ind. Schools Res.	2004-2012	5,718,990	6,335	5,714,976	6,335	5,714,976	4,014
	2013	147,575	140,763	140,763	140,763	140,763	6,812
	Total	5,866,565	147,098	5,855,740	147,098	5,855,740	10,826
Roswell Ind. Schools Debt Service	2004-2012	41,907,420	261,190	41,778,103	261,190	41,778,103	129,317
	2013	7,032,295	6,777,823	6,777,823	6,777,823	6,777,823	254,472
	Total	48,939,715	7,039,013	48,555,926	7,039,013	48,555,926	383,789
Artesia Public Schools Non-Res.	2004-2012	25,412	12	25,412	12	25,412	0
	2013	2,979	2,626	2,626	2,626	2,626	353
	Total	28,391	2,637	28,038	2,637	28,038	353
Artesia Public Schools Res.	2004-2012	5,714	1	5,714	1	5,714	-
	2013	786	699	699	699	699	87
	Total	6,501	700	6,414	700	6,414	87
Artesia Public Schools Debt Service	2004-2012	448,653	172	448,651	172	448,651	2
	2013	55,364	48,912	48,912	48,912	48,912	6,452
	Total	\$ 504,017	\$ 49,085	\$ 497,563	\$ 49,085	\$ 497,563	\$ 6,454

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE
YEAR ENDED JUNE 30, 2014
(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.	2004-2012	\$ 178,347	\$ 34	\$ 178,321	\$ 34	\$ 178,321	\$ 27
	2013	6,710	6,671	6,671	6,671	6,671	39
	Total	185,057	6,704	184,991	6,704	184,991	66
Lake Arthur Muni. Schools Res.	2004-2012	29,784	117	29,593	117	29,593	191
	2013	1,045	947	947	947	947	98
	Total	30,829	1,064	30,539	1,064	30,539	290
Lake Arthur Muni. Schools Debt Service	2004-2012	522,254	1,624	520,964	1,624	520,964	1,290
	2013	135,560	132,621	132,621	132,621	132,621	2,939
	Total	657,814	134,246	653,585	134,246	653,585	4,229
Elida Muni. Schools #27 Non-Res.	2004-2012	31,088	11	31,087	11	31,087	1
	2013	1,100	1,032	1,032	1,032	1,032	68
	Total	32,189	1,043	32,119	1,043	32,119	70
Elida Muni. Schools #27 Res.	2004-2012	2,751		2,751		2,751	
	2013	97	95	95	95	95	
	Total	2,849	95	2,846	95	2,846	2
Elida Muni. Schools #27 Debt Service.	2004-2012	94,337	124	94,320	124	94,320	17
	2013	4,853	4,566	4,566	4,566	4,566	286
	Total	99,190	4,691	98,886	4,691	98,886	303
Elida Muni. Schools #28 Non-Res.	2004-2012	21,962	11	21,962	11	21,962	1
	2013	871	869	869	869	869	2
	Total	22,833	880	22,831	880	22,831	2
Elida Muni. Schools #28 Res.	2004-2012	2,940		2,940		2,940	
	2013	102	102	102	102	102	0
	Total	3,042	102	3,041	102	3,041	1
Elida Muni. Schools #28 Debt Service.	2004-2012	69,852	129	69,842	129	69,842	10
	2013	3,955	3,947	3,947	3,947	3,947	8
	Total	73,807	4,075	73,788	4,075	73,788	19
Hagerman Muni. Schools Non-Res.	2004-2012	285,222	293	284,866	293	284,866	355
	2013	9,935	9,779	9,779	9,779	9,779	156
	Total	295,157	10,073	294,646	10,073	294,646	511
Hagerman Muni. Schools Res.	2004-2012	100,474	472	100,313	472	100,313	161
	2013	3,249	2,922	2,922	2,922	2,922	327
	Total	103,723	3,394	103,235	3,394	103,235	488
Hagerman Muni. Schools Debt Service	2004-2012	1,716,070	15,704	1,708,111	15,704	1,708,111	7,959
	2013	211,578	202,244	202,244	202,244	202,244	9,334
	Total	1,927,648	217,948	1,910,355	217,948	1,910,355	17,293
Dexter Cons. Schools Non-Res.	2004-2012	627,342	750	626,161	750	626,161	1,181
	2013	20,507	20,245	20,245	20,245	20,245	262
	Total	647,849	20,995	646,406	20,995	646,406	1,443
Dexter Cons. Schools Res.	2003-2011	214,657	283	214,327	283	214,327	331
	2012	4,754	4,496	4,496	4,496	4,496	258
	Total	219,411	4,779	218,822	4,779	218,822	589
Dexter Cons. Schools Debt Service	2004-2012	5,314,176	33,510	5,288,975	33,510	5,288,975	25,201
	2013	756,800	736,240	736,240	736,240	736,240	20,559
	Total	6,070,976	769,750	6,025,216	769,750	6,025,216	45,761
Tatum Muni. Schools Non-Res.	2004-2012	751		751		751	
	2013	113	113	113	113	113	
	Total	\$ 865	\$ 113	\$ 865	\$ 113	\$ 865	\$

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.	2004-2012	\$ 376		\$ 376		\$ 376	\$
	2013	9	9	9	9	9	
	Total	385	9	385	9	385	
Tatum Muni. Schools Debt Service	2004-2012	5,194		5,194		5,194	
	2013	1,376	1,376	1,376	1,376	1,376	
	Total	6,570	1,376	6,570	1,376	6,570	
Total School Districts		\$ 90,245,060	\$ 10,649,508	\$ 89,649,961	\$ 10,649,508	\$ 89,649,961	\$ 595,099
Special Districts:							
Flood Control	2004-2012	\$ 9,405,889	\$ 52,366	\$ 9,382,832	\$ 52,366	\$ 9,382,832	\$ 23,057
	2013	1,275,670	1,225,426	1,225,426	1,225,426	1,225,426	50,244
	Total	10,681,559	1,277,792	10,608,258	1,277,792	10,608,258	73,301
Pecos Valley Conservancy District	2004-2012	9,546,212	73,021	9,511,463	73,021	9,511,463	34,749
	2013	1,627,227	1,559,536	1,559,536	1,559,536	1,559,536	67,691
	Total	11,173,439	1,632,557	11,070,998	1,632,557	11,070,998	102,441
Chaves County S&W Conservancy Non-Res.	2004-2012	691,798	3,492	690,684	3,492	690,684	1,114
	2013	66,622	64,744	64,744	64,744	64,744	1,878
	Total	758,420	68,237	755,428	68,237	755,428	2,992
Chaves County S&W Conservancy Res.	2004-2012	710,899	4,104	709,772	4,104	709,772	1,127
	2013	109,301	105,835	105,835	105,835	105,835	3,466
	Total	820,200	109,939	815,607	109,939	815,607	4,593
Upper Hondo S&W Conservancy Non-Res.	2004-2012	93		93		93	
	2013	10	10	10	10	10	
	Total	103	10	103	10	103	
Upper Hondo S&W Conservancy Res.	2004-2012	7		7		7	
	2013	0	0	0	0	0	
	Total	7		7	0	7	
Hagerman-Dexter S&W Conservancy Non-Res.	2004-2012	149,557	535	149,410	535	149,410	147
	2013	17,851	17,479	17,479	17,479	17,479	372
	Total	167,408	18,014	166,889	18,014	166,889	518
Hagerman-Dexter S&W Conservancy Res.	2004-2012	80,474	1,062	80,326	1,062	80,326	148
	2013	11,916	11,246	11,246	11,246	11,246	670
	Total	92,390	12,307	91,572	12,307	91,572	818
Penasco S&W Conservancy	2004-2012	30,313	13	30,312	13	30,312	
	2013	3,491	2,950	2,950	2,950	2,950	541
	Total	33,804	2,963	33,262	2,963	33,262	542
Central Valley S&W Conservancy Non-Res.	2004-2012	14,980	25	14,971	25	14,971	9
	2013	1,755	1,732	1,732	1,732	1,732	24
	Total	16,736	1,757	16,703	1,757	16,703	32
Central Valley S&W Conservancy Res.	2004-2012	3,557	38	3,497	38	3,497	60
	2013	472	433	433	433	433	40
	Total	4,029	470	3,929	470	3,929	100
Border S&W Conservancy	2004-2012	5,717		5,717		5,717	
	2013	-	-	-	-	-	
	Total	5,717	-	5,717	-	5,717	
Cottonwood-Walnut Creek S&W Conservancy	2004-2012	101,971	115	101,632	115	101,632	339
	2013	11,637	11,403	11,403	11,403	11,403	234
	Total	113,608	11,517	113,034	11,517	113,034	573
Predator Control	2004-2012	382,006	139	380,746	139	380,746	1,259
	2013	19,214	15,820	15,820	15,820	15,820	3,395
	Total	401,220	15,958	396,566	15,958	396,566	4,654
Total Special Districts		\$ 24,268,640	\$ 3,151,522	\$ 24,078,075	\$ 3,151,522	\$ 24,078,075	\$ 190,565
Grand Total		\$ 247,417,990	\$ 29,521,250	\$ 245,742,674	\$ 29,521,250	\$ 245,742,674	\$ 1,675,317

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2014**

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-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-02-165	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	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, 2014**

Memorandum Number	County Number	Participants	Parties Responsible for Operations	Description
M-12-001		Dept. of the Interior and BLM Carlsbad Field Office	Dept. of the Interior and BLM Carlsbad Field Office	Coordinating Agency RMP/EIS Effort
M-13-008	A-10-027 M-12-002	Chaves County Medical Management Company	Chaves County	Medical Services for Adult and Juvenile Detention Centers
M-13-023	A-11-013 M-12-003	Chaves County & Dr. Jack Graham	Dr. Jack Graham	Renewal of lease agreement
M-13-025	A-11-023	Chaves County & NM Senior Olympics	NM Senior Olympics	Renewal of lease agreement
M-13-017	A-11-012	Chaves County & Aspen of NM	Chaves County	Second chance life values program
M-13-006	N-10-013 M-11-010	Chaves County & CASA	Chaves County	Renewal of DWI Contract
M-13-007	N-10-013 M-11-010	Chaves County & Roswell Refuge	Chaves County	Professional services
M-13-010	N-10-015 M-11-013	Chaves County & Diane Taylor	Chaves County	Renewal of contract agreement
M-13-011	N-10-016 M-11-013	Chaves County & Dexter High School	Chaves County	Renewal of contract agreement
M-13-012	N-10-017 M-11-014	Chaves County & Hagerman High School	Hagerman Municipal School District	Renewal of contract agreement
M-13-013	N-10-018 M-11-015	Chaves County and Lake Arthur	Lake Arthur Municipal School District	Renewal of contract agreement
M-13-014	N-11-009	Chaves County & Every Fifteen Minutes Program	Every 15 Minutes Program	Renewal of DWI prevention contract
M-13-008	N-11-010	Chaves County & Dianne Meda	Chaves County	Renewal of contract agreement
M-12-016	A-00-122	Chaves County & Frontier Medical	Frontier Medical	Agreement amendment for medical provider to provide oxygen services only to indigent residents
N-13-005	N-08-019/M-10-014 M-11-023	Chaves County & Town of Dexter	Town of Dexter	Renewal of contract agreement
N-13-006	N-08-018/M-10-015 M-11-024	Chaves County & Town of Hagerman	Town of Hagerman	Renewal of contract agreement
N-13-007	N-08-020/M-10-016 M-11-025	Chaves County & Town of Lake Arthur	Town of Lake Arthur	Renewal of contract 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)
			Chaves County	Chaves County	N/A
07/01/13 - 6/30/14	\$905,208		Chaves County	Chaves County	N/A
07/01/13-06/30/14	n/a	n/a	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$400	\$400	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$36,000	\$36,000	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$24,000	\$24,000	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$24,000	\$24,000	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$20,000	\$20,000	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$12,000	\$12,000	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$12,000	\$12,000	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$12,000	\$12,000	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$12,000	\$12,000	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$34,000	\$34,000	Chaves County	Chaves County	N/A
7/1/2012	n/a	n/a	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$17,500	\$17,500	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$17,500	\$17,500	Chaves County	Chaves County	N/A
07/01/13-06/30/14	\$17,500	\$17,500	Chaves County	Chaves County	N/A

(This page intentionally left blank)

STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the County's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the County's current levels of outstanding debt as well as assess the County's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the County's financial activities take place and to help make comparisons with other municipalities.

Operating Information

These schedules contain information about the County's operations and various resources to help the reader draw conclusions as to how the County's financial information relates to the services provided by the County.

(This page intentionally left blank)

STATE OF NEW MEXICO
 CHAVES COUNTY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 93,963,305	\$ 92,643,379	\$ 116,611,132	\$ 151,171,973	\$ 96,045,467
Restricted	69,146,304	74,179,207	70,373,339	70,667,370	71,121,792
Unrestricted	13,029,574	8,662,048	15,141,356	15,677,905	13,292,772
Total net position	\$ 176,139,183	\$ 175,484,634	\$ 202,125,827	\$ 237,517,248	\$ 180,460,031
Net Position:					
Net investment in capital assets	\$ 94,416,903	\$ 93,700,837	\$ 91,734,989	\$ 90,514,008	\$ 89,853,324
Restricted	67,424,184	79,622,371	63,887,789	60,723,907	61,777,154
Unrestricted	13,045,032	9,483,883	8,850,863	10,439,942	10,821,038
Total net position	\$ 174,886,119	\$ 182,807,091	\$ 164,473,641	\$ 161,677,857	\$ 162,451,516

Source: The source of this information is the County's financial records.

STATE OF NEW MEXICO
CHAVES COUNTY
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
General government	\$ 8,290,451	\$ 8,179,487	\$ 11,772,859	\$ 9,064,603	\$ 6,755,562
Public safety	10,996,637	11,524,608	11,515,590	10,917,930	9,336,016
Public works	7,075,627	6,963,017	6,964,010	4,005,389	9,163,682
Culture and recreation	133,051	134,673	122,896	108,600	102,480
Health and welfare	3,181,442	3,551,116	6,333,835	7,893,800	6,409,068
Interest on long-term debt	385,090	301,387	307,958	341,481	395,601
Total governmental activities expenses	<u>30,062,298</u>	<u>30,654,288</u>	<u>37,017,148</u>	<u>32,331,803</u>	<u>32,162,409</u>
Program Revenues					
Charges for services:					
General government	\$ 1,389,299	\$ 1,569,190	\$ 1,339,252	\$ 1,212,970	\$ 993,731
Public safety	102,098	173,333	169,477	7,193	
Public works	38,676	144,274	84,122	59,677	903
Operating grants and contributions	2,252,093	2,409,845	3,770,794	9,103,069	3,358,788
Capital grants and contributions	933,006	472,944	1,186,305	2,667,906	
Total program revenues	<u>4,715,172</u>	<u>4,769,586</u>	<u>6,549,950</u>	<u>13,050,815</u>	<u>4,353,422</u>
Net (Expense)/Revenue	<u>\$ (25,347,126)</u>	<u>\$ (25,884,702)</u>	<u>\$ (30,467,198)</u>	<u>\$ (19,280,988)</u>	<u>\$ (27,808,987)</u>

(Continued)

STATE OF NEW MEXICO
CHAVES COUNTY
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses					
General government	\$ 8,483,410	\$ 8,774,195	\$ 7,712,935	\$ 8,436,033	\$ 7,887,980
Public safety	8,809,184	8,749,934	7,752,293	7,366,454	7,705,607
Public works	6,774,741	5,136,765	6,309,737	5,157,123	4,772,448
Culture and recreation	147,500	150,000	150,000	150,000	150,000
Health and welfare	8,141,069	6,105,937	5,438,715	5,539,179	3,861,132
Interest on long-term debt	421,290	737,587	556,795	618,356	667,569
Total governmental activities expenses	<u>32,777,194</u>	<u>29,654,418</u>	<u>27,920,475</u>	<u>27,267,145</u>	<u>25,044,736</u>
Program Revenues					
Charges for services:					
General government	\$ 915,335	\$ 944,537	\$ 1,184,762	\$ 756,730	\$ 695,380
Public safety	862,746	339,984	441,269	349,097	425,271
Public works					-
Operating grants and contributions	3,071,177	2,919,793	2,384,200	1,960,349	1,636,443
Capital grants and contributions	254,104	101,170	479,062	894,809	1,483,330
Total program revenues	<u>5,103,362</u>	<u>4,305,484</u>	<u>4,489,293</u>	<u>3,960,985</u>	<u>4,240,424</u>
Net (Expense)/Revenue	<u>\$ (27,673,832)</u>	<u>\$ (25,348,934)</u>	<u>\$ (23,431,182)</u>	<u>\$ (23,306,160)</u>	<u>\$ (20,804,312)</u>

Source: The source of this information is the County's financial records.

(Concluded)

STATE OF NEW MEXICO
CHAVES COUNTY
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (Expense)/Revenue	\$ (25,347,126)	\$ (25,884,702)	\$ (30,467,198)	\$ (19,280,988)	\$ (27,808,987)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	8,840,619	8,687,211	8,391,027	7,902,236	12,249,508
Property taxes, levied for capital purposes	1,255,573	1,221,224	1,208,012	1,191,958	
Gross receipts taxes	8,052,325	7,410,816	7,576,240	7,424,494	7,852,548
Gasoline and motor vehicle taxes	2,349,996	2,382,243	2,550,998	2,195,484	2,343,430
Other taxes	1,188,656	989,386	894,645	1,218,259	468,905
Unrestricted federal aid	3,067,778	2,860,983	2,928,777	2,865,630	
Licenses and fees					912,267
Investment income	1,246,728	27,223	1,243,760	873,486	3,016,728
Contributions					4,609,582
Miscellaneous income					236,566
Loss on disposal of capital assets					(261,603)
Total general revenues	<u>26,001,675</u>	<u>23,579,086</u>	<u>24,793,459</u>	<u>23,671,547</u>	<u>31,427,931</u>
Changes in Net Position	<u>\$ 654,549</u>	<u>\$ (2,305,616)</u>	<u>\$ (5,673,739)</u>	<u>\$ 4,390,559</u>	<u>\$ 3,618,944</u>

(Continued)

STATE OF NEW MEXICO
CHAVES COUNTY
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net (Expense)/Revenue	\$ (27,673,832)	\$ (25,348,934)	\$ (23,431,182)	\$ (23,306,160)	\$ (20,804,312)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	\$ 9,500,977	\$ 11,691,274	\$ 10,509,083	\$ 10,491,637	\$ 9,715,846
Property taxes, levied for capital purposes					
Gross receipts taxes	11,082,567	7,394,050	6,540,260	5,108,531	4,004,843
Gasoline and motor vehicle taxes	2,278,360	2,292,070	1,295,644	1,343,720	685,501
Other taxes					
Unrestricted federal aid					
Licenses and fees					
Investment income	3,023,617	4,708,033	4,296,196	685,460	3,108,157
Contributions					
Miscellaneous income	7,185,505	5,275,547	4,121,329	3,652,107	2,390,375
Loss on disposal of capital assets	949,259		(577,724)	(3,662)	1,788,183
Total general revenues	<u>34,020,285</u>	<u>31,360,974</u>	<u>26,184,788</u>	<u>21,277,793</u>	<u>21,692,905</u>
Changes in Net Position	<u>\$ 6,346,453</u>	<u>\$ 6,012,040</u>	<u>\$ 2,753,606</u>	<u>\$ (2,028,367)</u>	<u>\$ 888,593</u>

Source: The source of this information is the County's financial records.

(Concluded)

STATE OF NEW MEXICO
 CHAVES COUNTY
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nonspendable	\$ 143,514	\$ 140,735	\$ 146,367	\$	\$
Restricted				1,000,000	
Committed					208,676
Unassigned	13,753,900	13,624,949	15,343,784	16,090,847	13,617,431
Reserved					
Unreserved					13,826,107
Total General Fund	<u>\$ 13,897,414</u>	<u>\$ 13,765,684</u>	<u>\$ 15,490,151</u>	<u>\$ 17,090,847</u>	<u>\$ 13,826,107</u>
All Other Governmental Funds:					
Nonspendable	\$ 51,046,536	\$ 51,126,690	\$ 51,237,673	\$ 51,330,469	\$
Restricted	16,563,688	21,500,493	16,412,270	14,881,390	
Committed	1,476,458	1,562,731	2,632,162	3,373,014	
Unassigned					54,568,283
Reserved	(26,554)				
Unreserved, reported in:					
Special revenue funds					14,712,910
Capital projects funds					1,306,493
Total all other governmental funds	<u>\$ 69,060,128</u>	<u>\$ 74,189,914</u>	<u>\$ 70,282,105</u>	<u>\$ 69,584,873</u>	<u>\$ 70,587,686</u>

(Continued)

STATE OF NEW MEXICO
 CHAVES COUNTY
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Reserved	\$ 811,262	\$	\$ 1,090,258	\$ 159,810	\$ 697,721
Unreserved	11,483,874	8,690,543	7,187,439	7,227,502	6,156,955
Total General Fund	<u>\$ 12,295,136</u>	<u>\$ 8,690,543</u>	<u>\$ 8,277,697</u>	<u>\$ 7,387,312</u>	<u>\$ 6,854,676</u>
All Other Governmental Funds:					
Reserved	\$ 56,609,051	\$ 52,060,517	\$ 53,669,324	\$ 54,718,623	\$ 53,303,142
Unreserved, reported in:					
Special revenue funds	13,283,742	15,766,491	10,748,113	8,340,497	10,286,073
Capital projects funds	701,236	723,008	201,171	591,236	2,082,622
Total all other governmental funds	<u>\$ 70,594,029</u>	<u>\$ 68,550,016</u>	<u>\$ 64,618,608</u>	<u>\$ 63,650,356</u>	<u>\$ 65,671,837</u>

Source: The source of this information is the County's financial records.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

STATE OF NEW MEXICO
CHAVES COUNTY
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:					
Property taxes	\$ 10,136,414	\$ 10,059,276	\$ 9,599,477	\$ 9,391,293	\$ 11,974,302
Gasoline and motor vehicle taxes	2,349,996	2,382,243	2,550,998	2,195,484	2,343,430
Gross receipts taxes	8,052,325	7,410,816	7,576,240	7,424,494	7,852,548
Other taxes	1,121,004	1,059,511	928,987	1,113,792	468,905
State grants and contributions	2,986,212	2,635,334	3,085,795	4,137,740	3,248,912
Federal grants and contributions	3,144,345	2,983,987	3,579,053	4,011,068	109,876
Charges for services	477,078	477,894	449,843	328,652	994,634
Licenses and fees	439,370	509,199	505,024	468,452	912,267
Investment income (loss)	1,246,728	27,223	1,243,760	873,486	3,016,728
Contributions			1,000,000	5,000,000	4,609,582
Other	735,401	982,867	859,012	1,970,533	295,916
Total revenues	\$ 30,688,873	\$ 28,528,350	\$ 31,378,189	\$ 36,914,994	\$ 35,827,100
Expenditures:					
Current -					
General government	\$ 5,701,591	\$ 5,800,146	\$ 5,920,816	\$ 6,691,393	\$ 5,801,344
Public safety	9,116,461	9,019,160	8,788,680	9,209,946	8,997,982
Public works	4,503,655	5,050,679	5,145,110	5,079,694	7,741,362
Culture and recreation	126,378	134,004	123,494	108,798	102,480
Health and welfare	3,184,580	3,549,717	6,332,563	7,893,914	6,408,651
Capital outlay	11,702,176	6,709,123	4,823,408	4,440,825	4,361,690
Debt service -					
Principal	1,356,028	917,643	864,441	837,895	540,098
Interest and fees	500,393	337,806	343,505	379,082	393,887
Loan issuance costs	4,613	35,437			
Total expenditures	\$ 36,195,875	\$ 31,553,715	\$ 32,342,017	\$ 34,641,547	\$ 34,347,494
Excess (deficiency) of revenues over expenditures	\$ (5,507,002)	\$ (3,025,365)	\$ (963,828)	\$ 2,273,447	\$ 1,479,606
Expenditures for capitalized assets	\$ 7,960,675	\$ 3,759,776	\$ 1,122,321	\$ 5,031,921	\$ 4,361,690
Debt service as a percentage of noncapital expenditures	7%	5%	4%	4%	3%

STATE OF NEW MEXICO
CHAVES COUNTY
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:					
Property taxes	\$ 11,633,903	\$ 14,243,181	\$ 11,686,547	\$ 10,676,235	\$ 9,438,498
Gasoline and motor vehicle taxes	1,308,242	1,497,750	1,489,586	1,495,850	1,287,068
Gross receipts taxes	9,340,741	3,422,719	4,450,137	4,004,029	3,575,189
Other taxes					
Integovernmental	4,892,874	4,974,255	4,181,722	3,915,015	3,448,729
Charges for services	81,989	845,877	756,754	629,380	686,832
Licenses and fees	914,169	197,614	143,398	131,434	104,862
Investment income (loss)	3,030,523	5,475,558	5,038,346	685,459	3,108,157
Contributions					
Other	6,973,049	5,975,768	4,171,229	3,661,912	2,032,475
Total revenues	\$ 38,175,490	\$ 36,632,722	\$ 31,917,719	\$ 25,199,314	\$ 23,681,810
Expenditures:					
Current -					
General government	\$ 7,022,429	\$ 7,143,303	\$ 6,664,284	\$ 7,136,875	\$ 5,784,266
Public safety	8,309,072	8,026,198	7,335,460	6,830,926	6,571,550
Public works	6,511,216	4,845,733	6,124,733	4,906,882	4,453,747
Culture and recreation	147,500	150,000	150,000	150,000	150,000
Health and welfare	8,095,521	6,056,172	5,407,874	5,502,635	3,818,663
Capital outlay	2,925,396	2,767,689	2,186,042	1,640,568	5,007,977
Debt service -					
Principal		11,855,000	1,380,000	1,135,000	630,000
Interest and fees	490,553	817,150	587,576	642,981	680,868
Loan issuance costs					
Total expenditures	\$ 33,501,687	\$ 41,661,245	\$ 29,835,969	\$ 27,945,867	\$ 27,097,071
Excess (deficiency) of revenues over expenditures	\$ 4,673,803	\$ (5,028,523)	\$ 2,081,750	\$ (2,746,553)	\$ (3,415,261)
Expenditures for capitalized assets	\$ 2,925,396	\$ 2,767,689	\$ 2,186,042	\$ 1,640,568	\$ 5,392,149
Debt service as a percentage of noncapital expenditures	2%	33%	7%	7%	6%

Note: Effective fiscal year 2010 the County adopted a new reporting captions for intergovernmental revenues

Source: The source of this information is the County's financial records.

(Concluded)

STATE OF NEW MEXICO
CHAVES COUNTY
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (5,507,002)	\$ (3,025,365)	\$ (963,828)	\$ 2,273,447	\$ 1,479,606
Other financing sources (uses):					
Loan proceeds	619,613	4,725,000		126,875	
Premium on loan issuance		783,083			54,442
Proceeds from sale of assets					9,646,288
Transfers in	5,302,282	5,963,800	5,900,000	8,047,300	9,671,288
Transfers out	(5,302,282)	(5,963,800)	(5,900,000)	(8,047,300)	(9,671,288)
Total other financing sources (uses)	<u>619,613</u>	<u>5,508,083</u>		<u>126,875</u>	<u>29,442</u>
Changes in fund balances	<u>\$ (4,887,389)</u>	<u>\$ 2,482,718</u>	<u>\$ (963,828)</u>	<u>\$ 2,400,322</u>	<u>\$ 1,509,048</u>
Excess (deficiency) of revenues over expenditures	\$ 4,673,803	\$ (5,028,523)	\$ 2,081,750	\$ (2,746,553)	\$ (3,415,261)
Other financing sources (uses):					
Operating transfers in (out)			20,221		(30,000)
Extraordinary gain					1,887,742
Other			(689,101)		357,900
Bond issuance costs		(213,018)			
Bond proceeds		10,000,000			
Premium on bond issuance		205,446			
Gain/(Loss) on investments	949,259	(673,636)			
Sale of property	25,545				
Total other financing sources (uses)	<u>974,804</u>	<u>9,318,792</u>	<u>(668,880)</u>		<u>2,215,642</u>
Changes in fund balances	<u>\$ 5,648,607</u>	<u>\$ 4,290,269</u>	<u>\$ 1,412,870</u>	<u>\$ (2,746,553)</u>	<u>\$ (1,199,619)</u>

Source: The source of this information is the County's financial records.

STATE OF NEW MEXICO
CHAVES COUNTY
GROSS RECEIPT TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Utilities	\$ 499,272	\$ 444,333	\$ 439,997	\$ 427,008	\$ 407,935	\$ 461,304	\$ 438,634	\$ 381,624	\$ 433,388	\$ 282,564
Construction	984,104	780,926	850,754	694,846	746,004	849,346	927,557	941,499	671,083	496,071
Manufacturing	76,932	78,320	78,050	91,188	76,164	80,496	92,011	97,041	68,108	72,259
Wholesale trade	158,411	140,321	149,607	128,401	120,721	131,156	142,548	147,323	98,373	95,940
Retail trade	1,909,143	1,870,302	1,808,937	2,023,897	1,958,243	1,852,579	1,914,671	1,674,586	1,160,735	1,212,976
Information and cultural industries	305,540	321,689	319,725	419,209	344,836	336,263	292,893	133,329	86,974	84,157
Real estate, rental and leasing	70,487	79,701	81,040	85,282	50,589	65,276	64,578	56,290	32,443	31,637
Professional, scientific and technical	364,118	332,563	319,467	332,507	264,682	294,300	287,108	322,915	269,989	181,095
Healthcare and social assistance	331,900	262,296	349,011	391,138	415,269	470,417	391,163	276,198	186,538	211,634
Accommodation and food services	500,175	462,986	416,113	391,266	381,629	401,523	382,175	338,128	234,336	205,214
Other services (except public admin.)	911,234	946,527	872,213	813,845	876,555	1,099,305	1,324,382	1,167,604	826,930	693,905
Unclassified establishments	52,745	17,344	4,350	5,373		2	117,234	49,075	96,791	149,966
State food distribution	467,162	495,962	526,429	469,118	403,627	411,217	485,879	285,864	216,174	111,568
State medical distribution	111,102	93,005	106,059	80,475	79,919	78,645	78,242	66,998	46,093	22,913
Other business activity	463,036	486,739	470,189	548,260	449,409	555,607	405,412	453,634	248,160	215,996
Total	\$ 7,205,361	\$ 6,813,014	\$ 6,791,941	\$ 6,901,813	\$ 6,575,582	\$ 7,087,436	\$ 7,344,487	\$ 6,392,108	\$ 4,676,115	\$ 4,067,895

Notes: 1) Other business activity are industries that generate less than 7% of gross receipts tax individually. Those industries include the following business classifications using the North American Industry Classification System (NAICS): Finance and Insurance; Transportation and Warehousing; Administration and Support, Waste Management and Remediation; Educational Services; Arts, Entertainment and Recreation; Management of Companies and Enterprises; Agriculture, Forestry, Fishing and Hunting; Public Administration; Mining and Oil and Gas Extraction

2) Intercepts of gross receipts taxes by the New Mexico Finance Authority (NMFA) for the payment of outstanding loans are excluded from the above data

Source: State of New Mexico Taxation and Revenue Department and County records

**STATE OF NEW MEXICO
CHAVES COUNTY
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Property Taxes	Gross Receipts Taxes	Motor Vehicle Taxes	Gas Tax	Oil Tax	Other Taxes	Total
2014	\$10,136,414	\$ 8,052,325	\$ 688,972	350,802	1,310,222	\$ 1,121,004	\$21,659,739
2013	10,059,276	7,410,816	809,384	358,260	1,237,456	1,036,654	20,911,846
2012	9,599,477	7,576,240	809,109	344,933	1,434,011	891,932	20,655,702
2011	9,391,293	7,424,494	752,254	352,302	1,306,042	898,678	20,125,063
2010	11,974,302	7,852,548	806,174	298,284	1,098,872	609,005	22,639,185
2009	10,246,284	9,340,741	773,719	353,044	1,387,619	181,479	22,282,886
2008	13,114,173	3,422,719	881,344	343,979	1,129,008	272,427	19,163,650
2007	10,629,074	4,450,137	704,787	353,149	1,057,473	431,650	17,626,270
2006	9,797,846	3,915,015	864,326	359,199	1,239,728		16,176,114
2005	8,540,641	3,448,729	794,201	546,956	970,228		14,300,755

Source: The source of this information is the County's financial records.

**STATE OF NEW MEXICO
CHAVES COUNTY
GROSS RECEIPTS TAX RATES
LAST TEN FISCAL YEARS**

Governmental Entity	Location Code	Fiscal Year Ended June 30									
		2014		2013		2012		2011		2010	
		Jul-Dec 2013	Jan-Jun 2014	Jul-Dec 2012	Jan-Jun 2013	Jul-Dec 2011	Jan-Jun 2012	Jul-Dec 2010	Jan-Jun 2011	Jul-Dec 2009	Jan-Jun 2010
Dexter	04-201	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.8125%	6.8125%
Hagerman	04-300	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.0000%	7.0000%
Lake Arthur	04-400	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.3125%	6.3125%
Roswell	04-101	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.0000%	7.0000%
Remainder of County	04-004	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	5.9375%	5.9375%

Governmental Entity	Location Code	Fiscal Year Ended June 30									
		2009		2008		2007		2006		2005	
		Jul-Dec 2008	Jan-Jun 2009	Jul-Dec 2007	Jan-Jun 2008	Jul-Dec 2006	Jan-Jun 2007	Jul-Dec 2005	Jan-Jun 2006	Jul-Dec 2004	Jan-Jun 2005
Dexter	04-201	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.1875%	6.6875%
Hagerman	04-300	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	6.8750%	6.3750%	6.8750%
Lake Arthur	04-400	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%	6.1875%	6.1875%	5.6875%	6.1875%
Roswell	04-101	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	6.8750%	6.3750%	6.8750%
Remainder of County	04-004	5.9375%	5.9375%	5.9375%	5.9375%	5.9375%	5.9375%	5.8125%	5.8125%	5.8125%	5.8125%

Source: State of New Mexico, Taxation and Revenue Department

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	TAX ROLL YEAR	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2013	\$ 8,590,208	\$ 8,304,022	96.67 %	\$ N/A	\$ 8,304,022	96.67 %
2013	2012	\$ 8,366,541	8,059,708	96.33	180,806	8,240,514	98.49
2012	2011	\$ 8,174,242	7,859,291	96.15	291,561	8,150,852	99.71
2011	2010	\$ 8,039,778	7,707,147	95.86	326,158	8,033,305	99.92
2010	2009	\$ 7,964,312	7,532,285	94.58	428,143	7,960,428	99.95
2009	2008	\$ 7,381,024	7,022,553	95.14	356,673	7,379,226	99.98
2008	2007	\$ 6,820,279	6,362,168	93.28	457,143	6,819,311	99.99
2007	2006	\$ 6,188,179	5,831,943	94.24	354,509	6,186,452	99.97
2006	2005	\$ 6,160,883	5,580,688	90.58	578,157	6,158,845	99.97
2005	2004	\$ 5,587,686	5,056,095	90.49	529,809	5,585,904	99.97

Source: The source of this information is the County Treasurer's records.

- Notes:**
- 1) Amounts collected are on a cash basis.
 - 2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 95% of unsecured property taxes are collected within 90 days after the due date.

STATE OF NEW MEXICO
CHAVES COUNTY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Tax Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Personal Property</u>	<u>Manufactured Homes</u>	<u>State Assessed Property</u>	<u>Livestock</u>	<u>Exemptions</u>	<u>Total Taxable Value</u>	<u>Full Value (3 x Taxable Value)</u>
2013	\$ 142,627,555	\$ 772,885,121	\$ 39,048,348	\$ 21,654,953	\$ 149,003,956	\$ 37,218,731	\$ (95,411,236)	\$ 1,067,027,428	\$ 3,201,082,284
2012	140,006,933	759,204,574	38,935,395	20,729,635	134,437,373	38,651,921	(105,367,053)	1,026,598,778	3,079,796,334
2011	136,857,509	717,171,928	41,088,150	19,504,587	131,936,925	33,402,353	(90,575,905)	989,385,547	2,968,156,641
2010	132,944,804	688,378,228	41,350,060	18,705,455	131,370,778	29,288,464	(62,192,846)	979,844,943	2,939,534,829
2009	129,791,544	642,283,770	39,980,881	18,417,662	135,315,601	37,201,991	(35,170,697)	967,820,752	2,903,462,256
2008	126,325,865	612,745,264	39,374,274	17,916,907	124,842,297	40,287,590	(33,928,224)	927,563,973	2,782,691,919
2007	119,757,260	574,298,888	39,866,769	16,621,893	111,517,485	37,920,978	(31,399,216)	868,584,057	2,605,752,171
2006	113,336,796	520,414,274	34,183,614	15,218,155	105,227,244	38,047,673	(31,373,565)	795,054,191	2,385,162,573
2005	94,667,536	464,885,523	33,065,734	13,913,550	105,359,761	38,955,719	(30,931,111)	719,916,712	2,159,750,136
2004	91,681,270	449,567,975	33,138,733	13,383,688	99,736,006	31,009,921	(29,353,017)	689,164,576	2,067,493,728

Source: County Assessor's Records

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX RATES (MIL RATES) - DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS**

Tax Year	Direct Rates										Overlapping Rates										Special District
	Municipalities					School Districts					Municipalities					School Districts					
	State of New Mexico	Chaves County	City of Roswell	Town of Hagerman	Town of Dexter	Town of Lake Arthur	Roswell School District	Dexter School District	Hagerman School District	Lake Arthur School District	ENMUR	Artesia School District	Eilda School District	Tatum School District	NMJC College	SWCD					
2013	Residential	1.3600	1.3600	6.5260	1.7820	1.1770	2.0700	7.8790	12.2210	7.8790	9.5730	1.9190	7.3280	2.3950	5.4310	3.7290	1.0000				
	Non-Residential	1.3600	1.3600	10.3500	2.2250	2.2160	2.1210	8.1350	12.5960	7.6340	9.7560	2.0350	7.4570	2.4180	5.7390	5.0000	1.0000				
2012	Residential	1.3600	1.3600	6.6210	1.8350	1.2010	2.0970	7.9540	12.2480	7.4170	8.6220	1.9320	7.3900	2.4340	5.5240	3.8620	1.0000				
	Non-Residential	1.3600	1.3600	10.3500	2.2030	2.1810	2.1190	8.1800	12.5560	7.5910	8.7670	2.0350	7.4640	2.4560	5.7700	5.0000	1.0000				
2011	Residential	1.3600	1.3600	6.7290	1.8410	1.2210	2.1080	7.9060	12.3130	7.7160	4.5270	1.9470	7.4190	6.2700	5.1760	3.9410	1.0000				
	Non-Residential	1.3600	1.3600	10.3500	2.2250	2.2250	2.2230	8.1410	12.5920	7.8870	4.5820	2.0350	7.5000	6.2960	5.4680	5.0000	1.0000				
2010	Residential	1.3620	1.3620	6.5650	1.7980	1.1880	2.0360	7.8320	12.6020	7.1800	4.1690	2.2600	7.3100	6.8790	5.1240	3.9410	1.0000				
	Non-Residential	1.3620	1.3620	10.3500	2.1480	2.2250	2.2250	8.1230	12.9010	7.3990	4.3170	2.3710	7.5000	6.9500	5.4150	5.0000	1.0000				
2009	Residential	1.5300	1.5300	6.5990	1.8080	1.2080	2.0350	7.9160	11.7570	9.8280	4.6530	2.2650	7.3440	7.3170	5.6720	3.9890	1.0000				
	Non-Residential	1.5300	1.5300	10.3500	2.1040	2.2250	2.1940	8.1960	12.0400	10.0340	4.9080	2.3710	7.5000	7.3220	5.9520	5.0000	1.0000				
2008	Residential	1.1500	1.1500	6.7780	1.8560	1.2550	2.0840	7.9340	11.7450	9.5480	3.5560	2.2890	7.4370	5.9000	5.6340	4.1420	1.0000				
	Non-Residential	1.1500	1.1500	10.3500	2.0740	2.2250	2.2250	8.1540	12.0430	9.7210	3.7380	2.3710	7.5000	5.9850	5.8700	5.0000	1.0000				
2007	Residential	1.2500	1.2500	6.7270	1.8330	1.2380	2.0690	7.2350	11.7420	9.5950	6.6810	2.2770	7.4430	5.9730	4.0440	4.2130	0.8520				
	Non-Residential	1.2500	1.2500	10.3500	2.2250	2.2250	2.2250	7.4450	12.0630	9.7740	6.9010	2.3710	7.5000	6.0770	4.3340	5.0000	1.0000				
2006	Residential	1.2210	1.2210	6.7660	1.8260	1.2500	2.1170	7.2500	11.7490	9.7500	9.3360	2.2820	7.4100	6.4320	3.5890	4.4200	0.8230				
	Non-Residential	1.2210	1.2210	10.3500	2.2250	2.2250	2.2250	7.4660	11.4400	9.9290	9.5190	2.3710	7.5000	6.5690	3.8250	4.9550	1.0000				
2005	Residential	1.2910	1.2910	6.9890	1.8490	1.2680	2.2250	7.3880	11.9950	8.8640	6.9950	2.3120	7.4320	5.9900	3.4060	4.4700	0.8540				
	Non-Residential	1.2910	1.2910	10.3500	2.2250	2.2250	2.2250	7.5980	12.2480	9.0360	7.1130	2.3710	7.5000	6.1340	3.8310	5.0000	1.0000				
2004	Residential	1.2340	1.2340	6.7570	1.7840	1.2440	2.2250	7.6820	12.2590	9.8570	7.7360	2.2810	7.4260	6.4790	4.6160	4.3850	0.8340				
	Non-Residential	1.2340	1.2340	10.3500	2.2250	2.2250	2.2250	7.9510	12.5590	10.0680	7.9520	2.3710	7.5000	6.6660	5.1170	5.0000	0.9740				

Source: State of New Mexico, Taxation and Revenue Department, Certified by Chaves County

**STATE OF NEW MEXICO
CHAVES COUNTY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2014</u>		<u>2005</u>	
	<u>Primary Assessed Valuation</u>	<u>Percentage of County's Net Assessed Valuation</u>	<u>Primary Assessed Valuation</u>	<u>Percentage of County's Net Assessed Valuation</u>
Burlington Northern The & ; Santa Fe Railway Co	\$ 20,140,737	1.89 %	\$ 9,595,846	1.39 %
Mid America Pipeline Company	19,706,279	1.85	5,097,994	0.74
Transwestern Pipeline Co ; Property Tax Department	11,419,155	1.07	13,909,347	2.02
Roswell Hospital Corporation	11,132,526	1.04		
S W P S	10,592,871	0.99	18,266,610	2.65
Central Valley Electric	9,206,969	0.86	5,093,737	0.74
Agave Energy Company ; C/O Industrial Valuation Service	9,187,826	0.86	9,390,690	1.36
El Paso Natural Gas Co	8,637,029	0.81	8,116,519	1.18
S W P S	8,402,449	0.79		
Cortez Pipeline Company	8,338,144	0.78	3,780,224	0.55
Ashley, Karns, Baker Properties, Ltd	4,581,473	0.43		
Qwest Corporation	4,404,807	0.41	7,408,132	1.07
Community Health Systems Inc.			10,776,821	1.56
Valero Logistics Operations LP			6,531,645	0.95
Select Milk Producers			5,212,491	0.76
Total	<u>\$ 125,750,265</u>	<u>11.78 %</u>	<u>\$ 103,180,056</u>	<u>14.97 %</u>
County's Total Assessed Valuation	<u>\$ 1,067,027,428</u>		<u>\$ 689,164,576</u>	

Source: The source of this information is the County Assessor's tax records.

STATE OF NEW MEXICO
CHAVES COUNTY
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities			Total Outstanding Debt				Ratio Of Total Debt Per Capita	
	General Obligation Bonds	NMFA Loans	Refunding Revenue Bonds	Total	Taxable Value of Property	Percentage of Assessed Property Value	Percentage of Personal Income		Total Population
2014	\$	\$ 5,455,995	\$ 6,150,000	\$ 11,605,995	\$ 1,067,027,428	1.09 %	n/a %	n/a	n/a
2013		5,302,464	7,035,000	12,337,464	1,026,598,778	1.20	0.54	65,823	187.43
2012		625,693	7,895,000	8,520,693	989,385,547	0.86	0.58	65,784	129.53
2011		675,134	8,710,000	9,385,134	979,844,943	0.96	0.44	65,890	142.44
2010		596,154	9,500,000	10,096,154	967,820,752	1.04	0.52	65,778	153.49
2009		474,056	10,000,000	10,474,056	927,563,973	1.13	0.50	63,622	164.63
2008		513,657	10,000,000	10,513,657	868,584,057	1.21	0.56	62,998	166.89
2007		11,855,000		12,252,911	795,054,191	1.54	0.62	62,429	196.27
2006		13,235,000		13,657,556	719,916,712	1.90	0.77	61,456	222.23
2005		14,370,000		14,899,427	689,164,576	2.16	0.92	61,321	242.97

Source: The source of this information is the County's financial records.

STATE OF NEW MEXICO
CHAVES COUNTY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Year	Fiscal Year Ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 42,681,097	\$ 41,063,951	\$ 39,575,422	\$ 39,193,798	\$ 38,712,830	\$ 37,102,559	\$ 34,743,362	\$ 31,802,168	\$ 28,796,668	\$ 27,566,583
Total Net Debt Applicable to Limit								11,855,000	13,235,000	14,370,000
Legal Debt Margin	\$ 42,681,097	\$ 41,063,951	\$ 39,575,422	\$ 39,193,798	\$ 38,712,830	\$ 37,102,559	\$ 34,743,362	\$ 19,947,168	\$ 15,561,668	\$ 13,196,583
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0 %	0 %	0 %	0 %	0 %	0 %	0 %	37%	46%	52%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	\$ 1,067,027,428
Debt Limit (4% of total assessed value)	42,681,097
Debt Applicable to Limit:	none
Legal Debt Margin	\$ 42,681,097

Source: The source of this information is the County's financial records.

**STATE OF NEW MEXICO
CHAVES COUNTY
PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

General Obligation & Refunding Bonds

Fiscal Year Ended June 30	Gross Receipt Tax Revenues	Debt Service			Coverage
		Principal	Interest	Total	
2014	\$ 8,052,325	\$ 885,000	\$ 259,535	\$ 1,144,535	704%
2013	7,410,816	860,000	292,475	1,152,475	643%
2012	7,576,240	815,000	323,678	1,138,678	665%
2011	7,424,494	790,000	353,183	1,143,183	649%
2010	7,852,548	500,000	376,590	876,590	896%
2009	9,340,741		489,485	489,485	1908%
2008	3,422,719				n/a
2007	4,450,137	425,000	585,494	1,010,494	440%
2006	4,004,029	375,000	640,900	1,015,900	394%
2005	3,575,189	200,000	678,825	878,825	407%

Note: The County currently has no general obligation debt outstanding

Source: The source of this information is the County's financial records.

**STATE OF NEW MEXICO
CHAVES COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2014**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to County</u>	<u>Estimated Amount Applicable to County</u>
DIRECT:			
Chaves County	\$ 11,605,995	100.00%	\$ 11,605,995
OVERLAPPING DEBT:			
State of New Mexico	1,254,661,909	2%	\$ 26,316,389
Municipalities:			
City of Roswell	18,810,894	100.00%	\$ 18,810,894
Town of Dexter	45,243	100.00%	45,243
Town of Hagerman	910,000	100.00%	910,000
Town of Lake Arthur	N/A	100.00%	
School Districts:			
Roswell Independent School Dist.	44,157,898	100.00%	\$ 44,157,898
Dexter Schools	3,844,729	100.00%	3,844,729
Hagerman Schools	1,075,000	100.00%	1,075,000
Lake Arthur Schools	5,546,210	100.00%	5,546,210
Eastern NM University Roswell	664,250	100.00%	664,250
NM Junior College	2,059,657	0.00%	-
Tatum Schools	4,583,062	4.00%	183,322
Elida Schools	8,210	69.00%	5,665
Artesia Schools	155,751	74.00%	115,256
		Subtotal, Overlapping Debt	<u>\$ 101,674,856</u>
		Total Direct and Overlapping Debt	<u>\$ 113,280,851</u>

Ratios:

Ratio of Total Direct & Overlapping Debt to 2013 Assessed Valuation: 10.62%

Ratio of Chaves County's Outstanding General Obligation Debt to 2013 Estimated Actual Valuation 3.54%

Per Capita Direct & Overlapping Debt \$ 1,720.99

Net Taxable
Valuation: \$ 1,067,027,428

Total Estimated Actual Valuation: 3,201,082,284

Total Population - Estimated 65,823

Note: Estimated percentage of debt outstanding applicable to the County is calculated based on the County's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

Sources: Chaves County Financial Records
State of New Mexico, Dept. of Finance & Admin., Budget & Finance Bureau
State of New Mexico, Office of the State Auditor
Individual Financial Reports of Overlapping Entities for Debt Outstanding

**STATE OF NEW MEXICO
CHAVES COUNTY
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (millions)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Births</u>	<u>Deaths</u>	<u>School Enrollment</u>
2014	65,823	n/a	n/a	7.50%	936	677	11,827
2013	65,784	2,142	32,566	7.60%	948	612	11,771
2012	65,890	2,110	30,319	7.90%	929	670	11,491
2011	65,778	1,947	29,010	8.30%	986	612	11,389
2010	63,622	1,804	27,105	6.80%	1,042	628	11,114
2009	62,998	2,005	30,672	4.90%	1,074	607	11,300
2008	62,429	1,864	28,597	4.40%	1,094	594	11,132
2007	61,456	1,705	26,270	6.00%	1,015	589	11,127
2006	61,321	1,587	24,623	6.30%	989	609	11,172
2005	60,822	1,485	23,628	6.90%	966	610	11,180

Sources: The source of the "Population" and "Unemployment Rate" information is: U.S. Census Bureau, 2010 Census of Population. All other data was obtained from the State of New Mexico

**STATE OF NEW MEXICO
CHAVES COUNTY
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND EIGHT YEARS PRIOR**

	2014				2006			
	Employer	Industry	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Roswell Independent School District	Education	822	1	3.38	1,859	1	7.49	
Eastern New Mexico Medical Center	Health Care	815	2	3.35	650	3	2.62	
Eastern NM University - Roswell	Education	697	3	2.87	697	2	2.81	
Leprino Foods	Manufacturing	650	4	2.67	561	5	2.26	
City of Roswell	Government	561	5	2.31	561	4	2.26	
Wal-Mart Super Center	Commercial/Retail	450	6	1.85				
New Mexico Military Institute	Education/Gov.	284	7	1.17	275	7	1.11	
Chaves County	Government	254	8	1.04	254	8	1.02	
Pioneer Bank	Financial	187	9	0.77	106	15	0.43	
Dean Baldwin Painting	Aviation	185	10	0.76	120	14	0.48	
Roswell Regional Hospital	Health Care	170	11	0.70				
US Postal Service	Government	136	12	0.56	136	11	0.55	
First National Bank	Financial	128	13	0.53	128	12	0.52	
New Mexico Rehabilitation Center	Health Care	120	14	0.49	120	13	0.48	
AerSale	Aviation	116	15	0.48				
Impact Confections	Manufacturing				285	6	1.15	
Christmas by Krebs	Manufacturing				150	9	0.60	
Millennium Transit	Industrial				150	10	0.60	
Total		<u>5,575</u>		<u>22.93</u>	<u>6,052</u>		<u>24.40</u>	
Total employment		<u>24,313</u>			<u>24,808</u>			

Note: Information for 2005 was not available. Therefore, information for 2006 will be presented in this schedule.

Source: The source of the 2014 and 2006 information is from Chaves County Economic Development Center.

**STATE OF NEW MEXICO
CHAVES COUNTY
FULL-TIME-EQUIVALENT EMPLOYEES
BY COUNTY DEPARTMENT/DIVISION OR ELECTED OFFICE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	2	2	2	2	2
Human Resources	1	1	1	1	1
Safety	0	0	0	0	0
Fire & Emergency	0	1	1	1	1
General Services					
Public Works	3	3	3	2	2
Information Technology	3	3	3	3	3
Data Processing	0	0	0	1	1
Planning & Zoning	4	4	4	3	4
Purchasing	2	2	2	2	1
Finance					
Finance Admin	4	4	4	4	5
Community Development	3	2	3	3	3
Hospital Indigent Claims	2	2	4	4	4
Detention Facilities					
Detention Administration	10	8	8	8	6
Adult Detention	58	59	57	49	50
Juvenile CCJD	17	18	17	19	18
Facility Maintenance					
Facility Maintenance	9	10	11	12	10
Courthouse Maintenance	3	3	3	3	3
Record & Filing (Clerk)					
Clerk Administration	5	6	4	5	5
Clerk Bureau Election	3	3	4	4	4
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	7	7	6	7	7
Re-Appraisal Dept.	3	4	4	5	5
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	10	11	12	12	12
Sheriff Patroll & Investigations	29	32	30	30	34
Court Security	6	6	7	7	6
Road Administration	4	4	3	3	4
Road Shop	7	6	7	7	6
Road Construction & Maintenance	33	30	30	34	34
Other Funds/Departments					
DWI	2	2	2	2	2
Flood Control	9	9	9	9	9
Court Services	3	4	5	7	7
Total	<u>253</u>	<u>257</u>	<u>257</u>	<u>260</u>	<u>260</u>

Source: The source of this information is from the County's financial records

**STATE OF NEW MEXICO
CHAVES COUNTY
FULL-TIME-EQUIVALENT EMPLOYEES
BY COUNTY DEPARTMENT/DIVISION OR ELECTED OFFICE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	2	2	2	2	2
Human Resources	1	1	1	1	1
Safety	0	1	1	1	1
Fire & Emergency	1	1	1	1	1
General Services					
Public Works	2	2	2	2	2
Information Technology	2	1	2	1	1
Data Processing	2	4	2	3	3
Planning & Zoning	2	4	4	4	4
Purchasing	1	1	1	1	1
Finance					
Finance	5	5	4	6	6
Community Development	3	2	2	2	1
Hospital Indigent Claims	4	4	3	3	2
Detention Facilities					
Detention Administration	9	11	10	9	9
Adult Detention	49	47	47	42	42
Juvenile CCJD	16	16	15	16	14
Facility Maintenance					
Facility Maintenance	9	12	11	12	12
Courthouse Maintenance	2	2	3	4	4
Record & Filing (Clerk)					
Clerk Administration	5	5	8	6	6
Clerk Bureau Election	4	4	3	3	3
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	7	6	7	7	7
Re-Appraisal Dept.	5	5	4	4	5
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	11	14	14	14	23
Sheriff Patroll & Investigations	30	33	35	35	36
Court Security	8	6	10	8	7
Road Administration	4	4	4	4	2
Road Shop	7	7	7	7	6
Road Construction & Maintenance	33	33	38	39	44
Other Funds/Departments					
DWI	2	2	2	2	1
Flood Control	8	9	10	10	10
Court Services	6	0	1	1	0
Total	<u>251</u>	<u>255</u>	<u>265</u>	<u>261</u>	<u>267</u>

STATE OF NEW MEXICO
CHAVES COUNTY
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year Ended June 30									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Gov't										
Buildings	2	2	2	2	2	2	2	2	2	2
Building Sites	24	24	24	23	23	23	21	21	21	19
Right of Way	3	3	3	3	3	3	3	3	3	2
Recreation	10	10	10	10	10	10	10	10	10	10
Admin										
Parking	4	4	4	4	4	3	3	3	3	3
Vehicles	140	128	118	109	101	93	81	70	63	47
Equipment	33	33	30	30	29	25	20	17	16	15
Other	183	178	174	170	167	165	157	121	60	54
Clerk Recording & Filing										
Vehicles	1	1	1	1	1	1	1	1	1	1
Equipment	4	1	1	1	1	1	1	1	1	1
Other	1	1	1	1	1	1	1	1	1	1
Courthouse										
Parking	1	1	1	1	1	1	1	1	1	1
Other	1	1	1	1	1	1	1	1	1	1
DWI										
Vehicles	1									
Other	2	2	1	1	1	1	1	1	1	1
Fire Departments										
Stations	14	14	14	14	14	14	14	14	14	14
Vehicles	43	40	38	36	34	30	29	26	25	23
Pumpers	20	19	18	18	17	15	14	13	13	13
Tankers	12	11	9	8	8	7	7	7	6	6
Equipment	6	6	6	6	5	5	5	5	5	5
Other	14	11	9	9	8	6	6	5	5	4

(Continued)

STATE OF NEW MEXICO
CHAVES COUNTY
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year Ended June 30									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Flood Department										
Vehicles	33	31	29	28	26	22	12	16	14	13
Other	4	4	4	4	4	4	4	4	3	3
Law Enforcement										
Other	2	2	2	2	2	2	1	1	1	1
Other Grants & Contract										
Vehicles	3	3	3	3	1	1	1	1	1	1
Equipment	1									
Other	3	1	1	1	1	1	1	1	1	1
Property Valuation										
Vehicles	5	5	5	5	5	5	5	5	4	4
Road Dept.										
Buildings	4	4	4	4	4	4	4	4	3	3
Bridges	22	22	22	22	22	22	22	21	21	21
Vehicles	132	125	121	118	116	112	100	92	86	81
Equipment	1	1	1	1	1	1	1	1	1	1
Other	15	13	10	10	10	9	7	6	6	6

Source: The source of this information is the County's records

(Concluded)

STATE OF NEW MEXICO
CHAVES COUNTY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year ended June 30,									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public Works										
Street Resurfacing (miles) (1)	69	41	43	62	54	69	57	49	56	61
Traffic Sign (2)	772	1,135	1,023	1,454	1,915	1,508	1,632	1,710	1,625	2,256
Streets (miles)	1,407	1,413	1,419	1,426	1,418	1,441	1,448	1,454	1,458	1,458
Streetlights (3)	33	33	33	33	33	33	33	33	33	33
Law Enforcement										
Traffic Citations	934	1,162	1,078	1,184	1,529	1,580	1,701	993	713	1,054
911 Calls Answered (4)	79,261	76,595	75,843	74,665	71,737	70,564	N/A	N/A	N/A	N/A
Zoning, Building, and Planning										
Residential Building Permits	12	14	29	11	9	33	44	36	45	46
Commercial Building Permits	4	2	3	4	0	1	3	1	6	3
Detention Center										
Total Bookings	4,543	4,705	4,674	4,879	4,311	4,287	3,717	4,448	4,703	4,634
Fire Departments										
Number of Calls Answered	407	303	548	331	441	438	380	263	237	186

Source: Various County departments.

- Notes:**
1. Represents miles of chip sealed roads as the County does not have any streets.
 2. Represents the number of signs repaired or replaced annually.
 3. Represents total certified mileage for the County and includes, paved roads, chip sealed roads, and unmaintained dirt/gravel roads.
 4. Years Prior to 2008, data not available due to a software conversion rendering the data irretrievable

**REPORT ON INTERNAL CONTROL
AND ON COMPLIANCE**

(This page intentionally left blank)

**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***

Independent Auditor's Report

Mr. Hector H. Balderas
New Mexico State Auditor

County Commissioners of
Chaves County, New Mexico

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Chaves County, New Mexico, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Chaves County, New Mexico's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplementary information, and have issued our report thereon dated November 10, 2014. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 65.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chaves County, New Mexico's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chaves County, New Mexico's internal control. Accordingly, we do not express an opinion on the effectiveness of Chaves County, New Mexico's internal control.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chaves County, New Mexico's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.

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

November 10, 2014

**STATE OF NEW MEXICO
CHAVES COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014**

Status of Findings and Questioned Costs

Finding Reference: 2013-1

Status: Corrected.

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, 2014**

An exit conference was conducted on November 7, 2014, in a closed meeting, in which the contents of this report were discussed with the following.

Chaves County

Greg Nibert, County Commissioner
Robert Corn, County Commissioner
Stanton L. Riggs, County Manager
Steve Harris, County Treasurer
Arturo Sanchez, Chief Deputy Treasurer
Joe Sedillo, Finance Director
Sonny Chancey, Public Services Director
Anabel Molina, Senior Accountant

Heinfeld, Meech & Co.

Neil S. Galassi, CPA, Audit Manager