



CHAVES COUNTY

New Mexico

Solar Panel Project, Chaves County



*COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE YEAR ENDED JUNE 30, 2016*

STATE OF NEW MEXICO

CHAVES COUNTY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Issued by:
Finance Department

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
GFOA Certificate	5
Organizational Chart	6
List of Principal Officials	7
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	11
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	42
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	43
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road Fund	44
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Indigent Hospital Claims Fund	45
Statement of Net Position – Proprietary Funds	46

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS	
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	47
Statement of Cash Flows – Proprietary Funds	48
Statement of Assets and Liabilities – Fiduciary Funds	49
Notes to Financial Statements	50
REQUIRED SUPPLEMENTARY INFORMATION	
Infrastructure Assets Reported Using the Modified Approach	80
Schedule of Proportionate Share of the Net Pension Liability	82
Schedule of Contributions	83
Note to Required Supplementary Information	84
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Detention Construction Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – County Permanent Fund	87
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	90
Special Revenue Governmental Funds:	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	100
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Farm and Range Fund	106
Recreation Fund	107
Dunken Fire District Fund	108
East Grand Plains Fire District Fund	109
Penasco Fire District Fund	110

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Midway Fire District Fund	111
Berrendo Fire District Fund	112
Sierra Fire District Fund	113
Rio Felix Fire District Fund	114
Chaves County Fire District #8 Fund	115
Fire and Ambulance Excise Tax Fund	116
Law Enforcement Grant Fund	117
Public Safety Grant Fund	118
DWI Grant Fund	119
Sheriff Forfeiture Fund	120
Correction Fund	121
Environmental Fund	122
Hospital Aged Accounts Fund	123
County Income Fund	124
Flood Control Fund	125
Road Special Construction Fund	126
Clerk Recording and Filing Fund	127
Property Valuation Fund	128
Other Grants and Contracts Fund	129
CDBG Fund	130
Restricted Health Services Fund	131
 Debt Service Governmental Funds:	
 Combining Balance Sheet	 134
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances	 136
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
2007 Refunding Bonds Fund	138
Revenue Bond #2 Fund	139
Revenue Bond Reserve Fund	140

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Capital Projects Governmental Fund:	
Balance Sheet	142
Statement of Revenues, Expenditures and Changes in Fund Balances	143
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	144
Internal Service Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	146
OTHER SUPPLEMENTARY INFORMATION	
Statement of Changes in Assets and Liabilities – Agency Fund	150
Schedule of Deposit and Investment Accounts	151
Schedule of Pledged Collateral	152
Tax Roll Reconciliation of Changes in the County Treasurer’s Property Tax Receivable	153
Property Tax Schedule	154
Schedule of Expenditures of State Appropriations	158
Schedule of Joint Powers Agreements	160
Schedule of Memorandums of Understanding	162
SCHEDULE OF VENDOR INFORMATION	164
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	167
Expenses, Program Revenues, and Net (Expense)/Revenue	168
General Revenues and Total Changes in Net Position	170
Fund Balances – Governmental Funds	172
Governmental Funds Revenues, Expenditures, and Debt Service Ratio	174
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	176

**STATE OF NEW MEXICO
CHAVES COUNTY**

TABLE OF CONTENTS

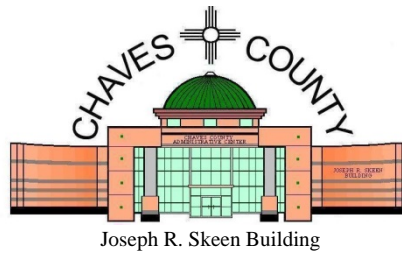
<u>STATISTICAL SECTION</u>	<u>Page</u>
Revenue Capacity:	
Gross Receipt Tax Revenue by Source	177
General Government Tax Revenues by Source	178
Gross Receipts Tax Rates	179
Property Tax Levies and Collections	180
Assessed Value and Estimated Actual of Taxable Property by Class	181
Property Tax Rates – Direct and Overlapping	182
Principal Property Taxpayers	183
Debt Capacity:	
Outstanding Debt by Type	184
Legal Debt Margin Information	185
Pledged Revenue Coverage	186
Direct and Overlapping Governmental Activities Debt	187
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	188
Principal Employers	189
Operating Information:	
Full-Time Equivalent Employees by County Department/Division or Elected Office	190
Capital Assets Information	192
Operating Indicators by Function/Program	194
<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>	197
Schedule of Findings and Responses	199
Exit Conference	200

INTRODUCTORY SECTION

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**FINANCE
DEPARTMENT**

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COMMISSIONERS

James W. Duffey - District 1
Kim Chesser - District 2
Kyle D. "Smiley" Wooton - Dist.3
Robert Corn - District 4
William E. Cavin – District 5

County Manager

Stanton L. Riggs

**Chief Financial
Officer**
Joe Sedillo

October 28, 2016

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, 2016. 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). Estimates of the 2016 population are 65,764. The County's population has increased by 7.44% between 2005 and 2015. 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. According to the Chaves County Assessor, the past two years have seen slow growth in our property valuations. Residential properties have increased in value at a rate of 3.5% per year. That level of growth will continue indefinitely into the future barring any changes to statute. Currently, residential properties are capped at 3% increase per year unless the property sells. At that time the cap is removed in the year following the sale and the value is allowed to move to current and correct. Nonresidential properties increased in value an average of 5% per year over the past two years. We don't see anything in the near future that would cause those values to increase significantly higher than at their current rate of increase.

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. Chaves County experienced a significant upward trend in 2014 followed with slower growth in fiscal year 2016. This due to a substantial slowdown in the industry sectors of oil & gas, construction and utilities.

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 –The largest manufacturing companies which contribute to the overall strength of our economy are Dean Baldwin (aircraft painting), AerSale (aircraft overhaul and repair), Stewart Industries (aircraft overhaul and restoration), Birdman Air (airplane parts), and Leprino Foods (cheese processing plant).

Commercial – The commercial retail sector continues to dominate the industry sector and has experienced a steady growth through 2015. The trends have recently slowed down with an average growth rate of 2.24% over the last five years. The 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 climate has had a significant effect from the oil and gas downturn. Both the State of New Mexico and Chaves County has endured the impact. Chaves County has not been impacted directly but indirectly as the effects on retail, utilities and construction gross receipts. The economic stagnation has slowed the retail industry but Chaves County passed a 3/8ths increment gross receipts tax that is projected to produce a slight increase over last year's enactment date of July 1, 2015. The County has essentially completed the Detention Center Expansion and Renovation. The long-term objective going forward will be to retire the associated debt of the project as well as replenish the participating funds. No substantial or large construction is currently planned, although some intermediate projects like the courthouse elevator and additional bathrooms at the administrative building are budgeted. A new 140 megawatt solar project is completed. This was a private company that will furnish the Chaves County as well as the Roswell Independent School District with PILT (payment in lieu of taxes, industrial revenue bonds) funding. The project covers 1,400 acres.

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

The construction and expansion of the Chaves County Adult and Juvenile Detention Center is essentially complete. 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. Additionally, the County will increase personnel with the anticipated demand from the increasing prison population. Twelve new positions will be added in the new fiscal year. With the anticipated prisoners, medical services have been enhanced by additional square footage and professional services.

Law enforcement officers through the Chaves County Sheriff office continue to be a priority with the Board of Commissioners. Full staffing remains an objective.

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) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded this certificate, the County published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied 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 continues to meet the programs' requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2016 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Chaves County
New Mexico**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

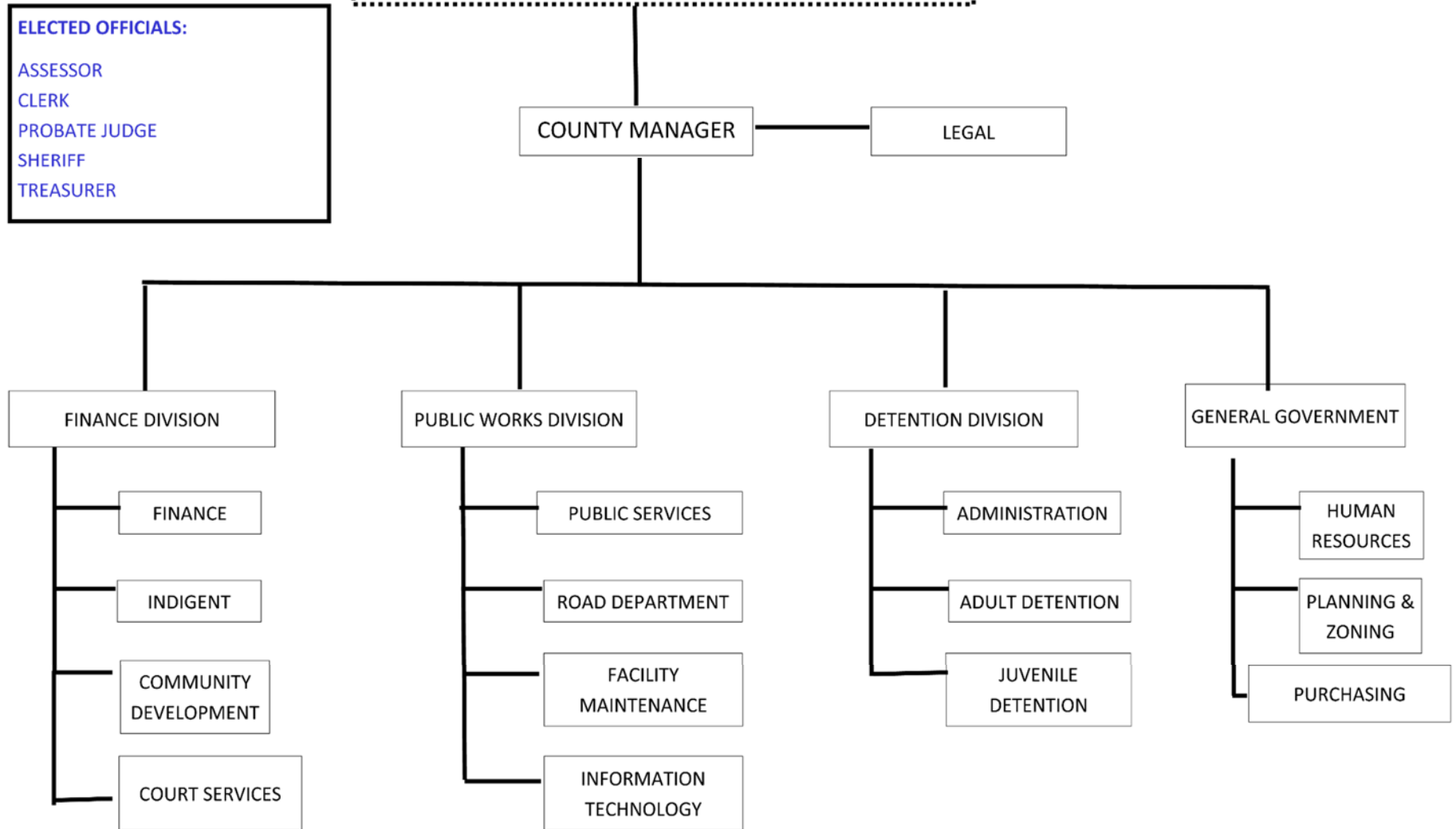
June 30, 2015

Executive Director/CEO

CHAVES COUNTY ORGANIZATIONAL CHART

BOARD OF COMMISSIONERS

ELECTED OFFICIALS:
ASSESSOR
CLERK
PROBATE JUDGE
SHERIFF
TREASURER



**STATE OF NEW MEXICO
CHAVES COUNTY
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016**

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
William E. Cavin	District 5 Commissioner

Elected Officials

Mark Willard	County Assessor
Dave Kunko	County Clerk
Britt Snyder	County Sheriff
Steve Harris	County Treasurer

Administrative Officials

Stanton L. Riggs	County Manager
Joe Sedillo	Finance Director
William B. Williams	Public Services Director
Jason Prince	IT Director
Marlin Johnson	Planning and Zoning Director
Richard "Dick" Smith	Flood Control Superintendent
Clay Corn	Adult and Juvenile Detention Administrator

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Mr. Tim Keller
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, 2016, 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, 2016, 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, 2016, 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, 2016, 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. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, 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, information about infrastructure assets reported using the modified approach, and net pension liability information, as listed in the table of contents, 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, Schedule of Vendor 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, Schedule of Vendor Information, 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 October 28, 2016, 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.
Tucson, Arizona
October 28, 2016

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

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**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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, 2016. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. 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 County's total net position of governmental activities increased \$1.4 million primarily due to an increase in gross receipt taxes.
- General revenues from governmental activities accounted for \$29.1 million in revenue, or 84 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5.7 million or 16 percent of total governmental activities revenues.
- The County had \$33.4 million in expenses related to governmental activities, an increase of eight percent from the prior fiscal year.
- The General Fund had \$16.0 million in revenues, which primarily consisted of property tax and intergovernmental revenues. The total expenditures of the General Fund were \$15.2 million. The General Fund's fund balance decreased \$2.8 million to \$5.7 million primarily due to transfers out to help fund the construction costs for the Chaves County Detention Center and other capital projects.
- The Road Fund had \$2.2 million in revenues, which primarily consisted of gasoline and motor vehicle taxes. The total expenditures of the Road Fund were \$5.1 million. The Road Fund's fund balance decreased \$47,307 to \$1.1 million 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 \$4.1 million. The Indigent Hospital Claims Fund's fund balance decreased \$803,326 from prior fiscal year end to \$969,077.
- The Detention Construction Fund had \$5.7 million in revenues, which consisted of gross receipts taxes. The total expenditures of the Detention Construction Fund were \$3.3 million. The Detention Construction Fund's fund balance increased \$3.0 million to a deficit of \$574,303 primarily due to an increase in gross receipt taxes.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

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. Schedules for the pension plan have been provided as required supplementary information.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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 \$162.9 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 resources that are subject to external restrictions on how they may be used as well as the resources related to the Permanent Fund.

The following table presents a summary of the County's net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	As of <u>June 30, 2016</u>	As of <u>June 30, 2015</u>
Current and other assets	\$ 73,328,465	\$ 74,297,299
Capital assets, net	<u>115,242,682</u>	<u>115,421,200</u>
Total assets	<u>188,571,147</u>	<u>189,718,499</u>
Deferred outflows	<u>1,971,416</u>	<u>1,207,091</u>
Current and other liabilities	1,379,137	2,106,740
Long-term liabilities	<u>25,737,751</u>	<u>22,837,563</u>
Total liabilities	<u>27,116,888</u>	<u>24,944,303</u>
Deferred inflows	<u>477,934</u>	<u>4,477,228</u>
Net investment in capital assets	105,759,730	104,316,888
Restricted	64,183,013	64,172,880
Unrestricted	<u>(6,995,002)</u>	<u>(6,985,709)</u>
Total net position	<u>\$ 162,947,741</u>	<u>\$ 161,504,059</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's financial position is the product of several financial transactions including the net result of activities, the acquisition and disposal of capital assets, the depreciation of capital assets, and the payment of debt. The following are significant current year transactions that had an impact on the Statement of Net Position.

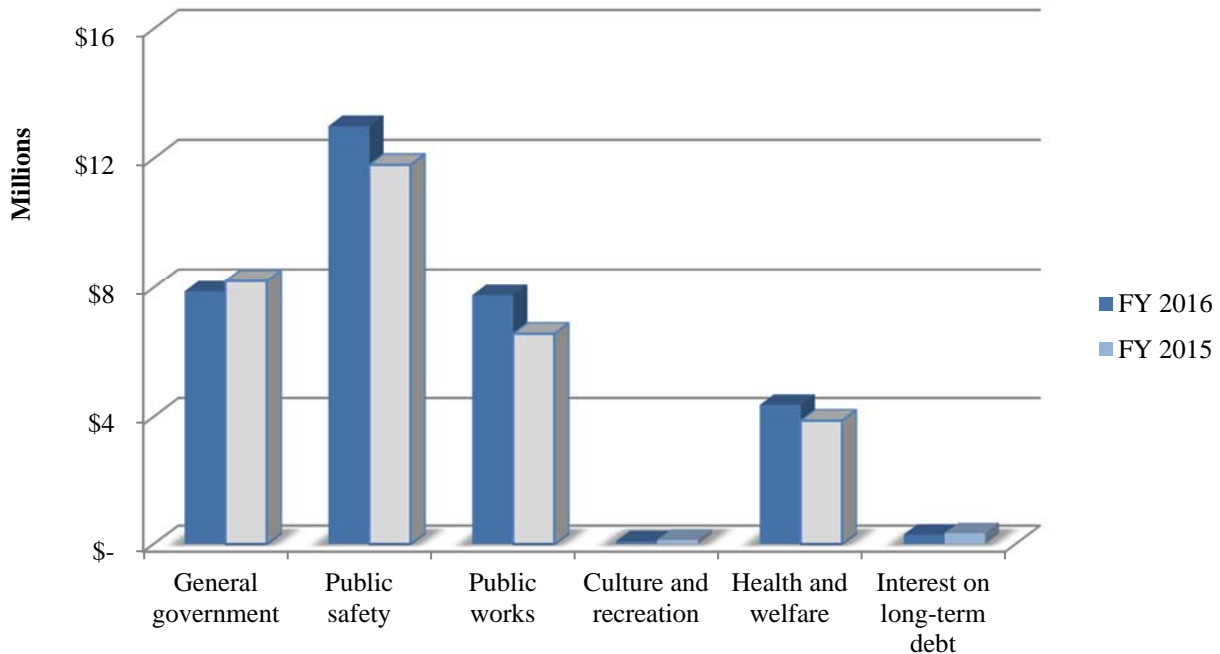
- The bond principal retirement of \$1.1 million and NMFA loan principal retirement of \$512,412.
- The addition of approximately \$2.9 million in capital assets.
- The increase in pension liabilities of \$4.5 million.
- Current depreciation expense of \$3.0 million.

Changes in net position. The County's total revenues for the current fiscal year were \$34.8 million. The total cost of all programs and services was \$33.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2015

	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,793,452	\$ 1,541,964
Operating grants and contributions	2,866,897	2,118,192
Capital grants and contributions	1,064,629	2,193,546
General revenues:		
Property taxes, levied for general purposes	8,393,175	9,090,957
Property taxes, levied for capital projects	1,362,304	1,317,706
Gross receipts taxes	11,865,673	7,935,051
Gasoline and motor vehicle taxes	1,706,243	2,073,656
Other taxes	1,163,063	1,083,664
Unrestricted federal aid	3,370,740	2,817,940
Investment income	1,231,890	1,080,615
Total revenues	<u>34,818,066</u>	<u>31,253,291</u>
Expenses:		
General government	7,847,105	8,202,300
Public safety	12,986,788	11,802,943
Public works	7,737,892	6,559,759
Culture and recreation	83,037	127,301
Health and welfare	4,362,604	3,873,800
Interest on long-term debt	356,958	339,722
Total expenses	<u>33,374,384</u>	<u>30,905,825</u>
Changes in net position	1,443,682	347,466
Net position, beginning	161,504,059	161,156,593
Net position, ending	<u>\$ 162,947,741</u>	<u>\$ 161,504,059</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Capital grants and contributions decreased \$1.1 million due to decreased capital grant funding from the State of New Mexico for aging and long-term services and road projects
- Gross receipts taxes increased \$3.9 million primarily due to the County increased 3/8ths increment in gross receipts tax.
- Public safety expenses increased \$1.2 million primarily due to increased costs in the Fire and Emergency Communications Funds as well as increased personnel costs in the Detention Center Fund attributed to the expansion of the Center.
- Public works expenses increased \$1.2 million primarily due to road construction increases in maintaining roads and chip sealing.

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, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>Year Ended June 30, 2016</u>		<u>Year Ended June 30, 2015</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
General government	\$ 7,847,105	\$ (6,007,292)	\$ 8,202,300	\$ (5,246,922)
Public safety	12,986,788	(10,059,768)	11,802,943	(9,933,412)
Public works	7,737,892	(6,861,217)	6,559,759	(5,541,630)
Culture and recreation	83,037	(83,037)	127,301	(127,301)
Health and welfare	4,362,604	(4,281,134)	3,873,800	(3,863,136)
Interest on long-term debt	356,958	(356,958)	339,722	(339,722)
Total	<u>\$ 33,374,384</u>	<u>\$(27,649,406)</u>	<u>\$30,905,825</u>	<u>\$(25,052,123)</u>

- The cost of all governmental activities this year was \$33.4 million.
- Charges for services and contributions subsidized certain governmental programs with revenues of \$5.7 million.
- Net cost of governmental activities of \$27.6 million was financed by general revenues of \$29.1 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 \$71.4 million, a decrease of \$246,422, or less than one percent.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The General Fund is the principal operating fund of the County. The decrease in fund balance of \$2.8 million to \$5.7 million as of fiscal year end was a result of transfers out to help fund the construction costs for the Chaves County Detention Center and other capital projects

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

General Fund revenues increased \$105,283 primarily as a result of increased federal payments in lieu of taxes. General Fund expenditures increased \$294,436 as a result of an increase in public safety expenditures primarily due to the expansion of the county's detention center, cost of operation, and personnel.

The Road Fund's fund balance decreased \$47,307 to \$1.1 million as of fiscal year end. Road Fund revenues decreased \$86,428 to \$2.2 million and expenditures increased \$222,661 to \$5.1 million at fiscal year end.

The Indigent Hospital Fund's fund balance had a decrease of \$803,326 to \$969,077 at fiscal year end. The decrease was primarily due to decreased gross receipt taxes and increased expenditures related to prisoner care services.

The Detention Construction Fund's fund balance increased \$3.0 million to a deficit of \$574,303 at fiscal year end due to a significant increase in gross receipt taxes related to the public safety departments not expending their individual budgets throughout the year at the request of management.

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 variances are summarized as follows.

- The favorable variance of \$703,516 in expenditures for general government was a result of the departments not expending their entire budgets for the fiscal year at the request of management.
- The favorable variance of \$680,640 in expenditures for public safety was a result of the public safety departments not expending their individual budgets throughout the year at the request of management.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the County had invested \$162.9 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 \$2.8 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, 2016 and June 30, 2015.

<u>Governmental Activities</u>	As of <u>June 30, 2016</u>	As of <u>June 30, 2015</u>
Land	\$ 3,821,441	\$ 3,821,441
Construction in progress	18,672,595	17,646,082
Infrastructure	48,433,470	48,567,466
Fine art	642,181	641,421
Land improvements	635,438	635,438
Buildings and improvements	43,908,062	43,052,984
Vehicles, furniture and equipment	32,539,563	31,489,040
Bridges	14,200,000	14,200,000
Less: Accumulated depreciation	<u>(47,610,068)</u>	<u>(44,632,672)</u>
Total	<u>\$ 115,242,682</u>	<u>\$ 115,421,200</u>

The estimated cost to complete current construction projects is \$22,853.

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 483.82 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 four 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 9.78 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, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. At year end, the County had \$9.5 million in long-term debt outstanding. The following table presents a summary of the County's outstanding long-term debt for the fiscal years ended June 30, 2016 and June 30, 2015.

	2016	2015
Bonds payable	\$ 4,203,131	\$ 5,286,113
Loans payable	5,279,821	5,870,541
Total	\$ 9,482,952	\$ 11,156,654

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 \$49.1 million. The County has no general obligation debt outstanding.

Additional information on the County's long-term debt can be found in Notes 8 through 11.

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 2016-17 budget. Among them:

- The county enacted 3 1/8ths increment beginning in July 2015.
- An increase of federal and local PILT at 20 percent.
- The unemployment rate of Chaves County is 7.5 percent which is an increase of 0.3 percent from last year's 7.2 percent. This is greater than the state's unemployment rate of 7.0 percent and an unfavorable rate compared to the national average rate of 5.0 percent.
- Inflationary trends in the region compare favorably to the national indices' of 2.2 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 9.0 percent to \$16.4 million in fiscal year 2016-17. A decrease in areas as in Public Safety; personnel cost plus direct employee benefits contributed to the decrease.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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>.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 4,120,920
Investments	17,133,133
Receivables	2,950,601
Inventory	793,102
Prepaid items	293,289
Total current assets	25,291,045
Noncurrent assets:	
Cash and cash equivalents - restricted	1,000,000
Investments - restricted	47,037,420
Capital assets, non-depreciable	71,569,687
Capital assets, depreciable (net)	43,672,995
Total noncurrent assets	163,280,102
Total assets	188,571,147
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	1,971,416
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	881,889
Accrued payroll	387,464
Unearned revenues	22,000
Compensated absences payable	503,527
Loans payable	538,293
Bonds payable	1,140,000
Accrued interest payable	87,784
Total current liabilities	3,560,957
Noncurrent liabilities:	
Non-current portion of long-term obligations	23,555,931
Total noncurrent liabilities	23,555,931
Total liabilities	27,116,888
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	477,934
 <u>NET POSITION</u>	
Net investment in capital assets	105,759,730
Restricted for:	
Special purposes	7,458,130
Debt service	4,168,643
Capital outlay	2,556,240
Nonexpendable	50,000,000
Unrestricted	(6,995,002)
Total net position	\$ 162,947,741

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, 2016**

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	\$ 7,847,105	\$ 1,642,378	\$ 197,435	\$	\$ (6,007,292)
Public safety	12,986,788	111,893	2,587,992	227,135	(10,059,768)
Public works	7,737,892	39,181		837,494	(6,861,217)
Culture and recreation	83,037				(83,037)
Health and welfare	4,362,604		81,470		(4,281,134)
Interest on long-term debt	356,958				(356,958)
Total governmental activities	<u>\$ 33,374,384</u>	<u>\$ 1,793,452</u>	<u>\$ 2,866,897</u>	<u>\$ 1,064,629</u>	<u>(27,649,406)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	8,393,175
Property taxes, levied for capital purposes	1,362,304
Gross receipts taxes	11,865,673
Gasoline and motor vehicle taxes	1,706,243
Other taxes	1,163,063
Unrestricted federal aid	3,370,740
Investment income	1,231,890
Total general revenues	<u>29,093,088</u>

Changes in net position

1,443,682

Net position, beginning of year

161,504,059

Net position, end of year

\$ 162,947,741

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

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FUND FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General</u>	<u>Road</u>	<u>Indigent Hospital Claims</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 897,954	\$ 331,544	\$
Cash and cash equivalents - restricted			
Investments	5,041,386		572,586
Investments - restricted			
Receivables	522,380	148,163	517,813
Inventory		770,448	
Prepaid items	170,101	14,223	617
Interfund advances receivable			
Total assets	<u>\$ 6,631,821</u>	<u>\$ 1,264,378</u>	<u>\$ 1,091,016</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 244,647	\$ 145,125	\$ 119,406
Accrued payroll	296,520	55,897	2,533
Unearned revenues	22,000		
Interfund advances payable			
Total liabilities	<u>563,167</u>	<u>201,022</u>	<u>121,939</u>
Deferred inflows of resources:			
Unavailable revenues	<u>382,983</u>		
Fund balances (deficits):			
Nonspendable	170,101	784,671	617
Restricted		278,685	968,460
Committed			
Unassigned	5,515,570		
Total fund balances	<u>5,685,671</u>	<u>1,063,356</u>	<u>969,077</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,631,821</u>	<u>\$ 1,264,378</u>	<u>\$ 1,091,016</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>
\$ 1,523,623	\$	\$ 1,171,451	\$ 3,924,572
		1,000,000	1,000,000
		11,519,161	17,133,133
537,420	46,500,000		47,037,420
993,407		768,838	2,950,601
			770,448
63,283		45,065	293,289
	3,500,000	16,578	3,516,578
<u>\$ 3,117,733</u>	<u>\$ 50,000,000</u>	<u>\$ 14,521,093</u>	<u>\$ 76,626,041</u>
\$ 192,036	\$	\$ 173,754	\$ 874,968
		32,514	387,464
			22,000
3,500,000		16,578	3,516,578
<u>3,692,036</u>		<u>222,846</u>	<u>4,801,010</u>
		84,142	467,125
63,283	50,000,000	45,065	51,063,737
		12,851,726	14,098,871
		1,317,314	1,317,314
(637,586)			4,877,984
<u>(574,303)</u>	<u>50,000,000</u>	<u>14,214,105</u>	<u>71,357,906</u>
<u>\$ 3,117,733</u>	<u>\$ 50,000,000</u>	<u>\$ 14,521,093</u>	<u>\$ 76,626,041</u>

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**STATE OF NEW MEXICO
CHAVES COUNTY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total governmental fund balances **\$ 71,357,906**

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	\$ 162,852,750	
Less accumulated depreciation	<u>(47,610,068)</u>	115,242,682

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	392,540	
Other taxes	22,038	
Intergovernmental	<u>52,547</u>	467,125

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	1,971,416	
Deferred inflows of resources related to pensions	<u>(477,934)</u>	1,493,482

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.

212,081

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

Accrued interest payable	(87,784)	
Bond premium payable	(68,131)	
Compensated absences payable	(687,769)	
Loans payable	(4,731,662)	
Loan premium payable	(548,159)	
Bonds payable	(4,135,000)	
Net pension liability	<u>(15,567,030)</u>	<u>(25,825,535)</u>

Net position of governmental activities **\$ 162,947,741**

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

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

	<u>General</u>	<u>Road</u>	<u>Indigent Hospital Claims</u>
Revenues:			
Property taxes	\$ 8,381,139	\$	\$
Gasoline and motor vehicle taxes	618,662	1,111,581	
Gross receipts taxes	558,980	300,000	2,382,802
Other taxes			868,736
State grants and contributions	271,395	682,840	
Federal grants and contributions	3,370,740	24,649	
Charges for services	492,148		
Licenses and fees	525,505		
Investment income	1,230,757		
Other	559,666	38,488	
Total revenues	<u>16,008,992</u>	<u>2,157,558</u>	<u>3,251,538</u>
Expenditures:			
Current -			
General government	5,728,982		
Public safety	9,332,627		
Public works		4,989,463	
Culture and recreation	85,066		
Health and welfare	50,265		4,054,864
Capital outlay		136,044	
Debt service -			
Principal			
Interest and fees			
Total expenditures	<u>15,196,940</u>	<u>5,125,507</u>	<u>4,054,864</u>
Excess (deficiency) of revenues over expenditures	<u>812,052</u>	<u>(2,967,949)</u>	<u>(803,326)</u>
Other financing sources (uses):			
Transfers in	950,000	3,000,000	
Transfers out	(4,525,000)		
Total other financing sources (uses):	<u>(3,575,000)</u>	<u>3,000,000</u>	
Changes in fund balances	<u>(2,762,948)</u>	<u>32,051</u>	<u>(803,326)</u>
Fund balances (deficits), beginning of year	8,448,619	1,110,663	1,772,403
Increase (decrease) in reserve for inventory		(79,358)	
Fund balances (deficits), end of year	<u>\$ 5,685,671</u>	<u>\$ 1,063,356</u>	<u>\$ 969,077</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>
\$	\$	\$ 1,349,663	\$ 9,730,802
			1,730,243
5,683,208		2,940,683	11,865,673
		294,327	1,163,063
		2,721,162	3,675,397
		101,475	3,496,864
		65,059	557,207
			525,505
		1,133	1,231,890
		237,707	835,861
<u>5,683,208</u>	<u></u>	<u>7,711,209</u>	<u>34,812,505</u>
		257,737	5,986,719
		1,961,528	11,294,155
		947,634	5,937,097
			85,066
		260,499	4,365,628
2,601,504		2,523,839	5,261,387
415,000		1,157,412	1,572,412
249,770		227,335	477,105
<u>3,266,274</u>	<u></u>	<u>7,335,984</u>	<u>34,979,569</u>
<u>2,416,934</u>	<u></u>	<u>375,225</u>	<u>(167,064)</u>
1,400,000		2,325,000	7,675,000
(850,000)		(2,300,000)	(7,675,000)
<u>550,000</u>	<u></u>	<u>25,000</u>	<u></u>
<u>2,966,934</u>	<u></u>	<u>400,225</u>	<u>(167,064)</u>
(3,541,237)	50,000,000	13,813,880	71,604,328
			(79,358)
<u>\$ (574,303)</u>	<u>\$ 50,000,000</u>	<u>\$ 14,214,105</u>	<u>\$ 71,357,906</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, 2016**

Net changes in fund balances - total governmental funds **\$ (167,064)**

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	\$ 2,932,874	
Less current year depreciation	<u>(2,977,396)</u>	(44,522)

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	24,677	
Other taxes	(24,000)	
Intergovernmental	<u>4,884</u>	5,561

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	1,060,000	
Loan principal retirement	<u>512,412</u>	1,572,412

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,284,854	
Pension expense	<u>(1,058,481)</u>	226,373

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.

Inventory	(79,358)	
Loss on disposal of capital assets	(133,996)	
Compensated absences payable	(36,644)	
Amortization of debt items	101,290	
Accrued interest on long-term debt	<u>18,857</u>	(129,851)

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.

(19,227)

Change in net position in governmental activities **\$ 1,443,682**

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL
YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$ 8,070,161	\$ 8,551,001	\$ 8,362,436	\$ (188,565)
Gasoline and motor vehicle taxes	1,147,780	1,147,779	656,047	(491,732)
Gross receipts taxes	1,260,675	558,980	558,980	
State grants and contributions	73,960	254,150	271,395	17,245
Federal grants and contributions	3,019,500	3,345,360	3,370,740	25,380
Charges for services	310,000	452,230	492,148	39,918
Licenses and fees	438,950	518,950	525,505	6,555
Investment income	4,800		3	3
Other	445,722	542,175	559,478	17,303
Total revenues	14,771,548	15,370,625	14,796,732	(573,893)
Cash balance carryforward	5,620,136	5,620,136		
Total	\$ 20,391,684	\$ 20,990,761		
Expenditures:				
Current -				
General government	\$ 6,418,067	\$ 6,432,498	5,728,982	703,516
Public safety	10,013,267	10,013,267	9,332,627	680,640
Public works				
Culture and recreation	138,345	138,665	85,066	53,599
Health and welfare	64,880	64,880	50,265	14,615
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	16,634,559	16,649,310	15,196,940	1,452,370
Other financing sources (uses):				
Transfers in	1,074,000	3,174,000	1,950,000	(1,224,000)
Transfers out	(2,824,000)	(2,836,500)	(2,425,000)	411,500
Total other financing sources (uses)	(1,750,000)	337,500	(475,000)	(812,500)
Change in fund balance -budgetary basis			(875,208)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(18,682)	
Unbudgeted expenditure accruals				
Change in fund balance for funds budgeted separately from the General Fund			(1,869,058)	
Change in fund balance - GAAP basis			\$ (2,762,948)	

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

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD
YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes	1,043,000	1,108,120	1,107,238	(882)
Gross receipts taxes	300,000	300,000	300,000	
State grants and contributions	531,000	896,717	682,840	(213,877)
Federal grants and contributions	24,535	24,535	24,649	114
Intergovernmental				
Charges for services				
Licenses and fees				
Investment income				
Contributions				
Other		25,560	38,488	12,928
Total revenues	1,898,535	2,354,932	2,153,215	(201,717)
Cash balance carryforward	190,910	190,910		
Total	\$ 2,089,445	\$ 2,545,842		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works	5,423,492	5,649,022	4,989,463	659,559
Culture and recreation				
Health and welfare				
Capital outlay	142,000	142,000	136,044	5,956
Debt service -				
Principal				
Interest and fees				
Total expenditures	5,565,492	5,791,022	5,125,507	665,515
Other financing sources (uses):				
Transfers in	4,250,000	4,250,000	3,000,000	(1,250,000)
Transfers out				
Total other financing sources (uses)	4,250,000	4,250,000	3,000,000	(1,250,000)
Change in fund balance - budgetary basis			27,708	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			4,343	
Unbudgeted expenditure accruals			(4,343)	
Change in fund balance - GAAP basis			\$ 32,051	

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

**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, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	1,698,609	2,324,409	2,323,131	(1,278)
Other taxes	861,494	861,494	803,311	(58,183)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	2,560,103	3,185,903	3,126,442	(59,461)
Cash balance carryforward	1,650,537	1,650,537		
Total	\$ 4,210,640	\$ 4,836,440		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	3,719,074	4,089,844	4,085,940	3,904
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	3,719,074	4,089,844	4,085,940	3,904
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(959,498)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			125,096	
Unbudgeted expenditure accruals			31,076	
Change in fund balance - GAAP basis			\$ (803,326)	

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

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016**

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 196,348
Inventory	22,654
Total current assets	219,002
Total assets	219,002
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	6,921
Total current liabilities	6,921
Total liabilities	6,921
 <u>NET POSITION</u>	
Unrestricted	212,081
Total net position	\$ 212,081

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, 2016**

	Governmental Activities: Internal Service Funds
Operating revenues:	
Sales of supplies	\$ 25,609
Charges for services	61,074
Total operating revenues	<u>86,683</u>
Operating expenses:	
Supplies	43,489
Services	62,421
Total operating expenses	<u>105,910</u>
Operating income (loss)	<u>(19,227)</u>
Changes in net position	<u>(19,227)</u>
Total net position, beginning of year	231,308
Total net position, end of year	<u><u>\$ 212,081</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, 2016**

	<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	\$ 93,854
Cash payments to suppliers for goods and services	<u>(104,134)</u>
Net cash used for operating activities	<u>(10,280)</u>
Net decrease in cash and cash equivalents	(10,280)
Cash and cash equivalents, beginning of year	<u>206,628</u>
Cash and cash equivalents, end of year	<u><u>\$ 196,348</u></u>
<u>Reconciliation of Operating Income (Loss) to</u>	
<u>Net Cash Used for Operating Activities</u>	
Operating income (loss)	\$ (19,227)
Adjustments to reconcile change in net position to net cash used for operating activities:	
Decrease in inventory	7,171
Increase in accounts payable	<u>1,776</u>
Total adjustments	<u>8,947</u>
Net cash used for operating activities	<u><u>\$ (10,280)</u></u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016**

	Agency
<u>ASSETS</u>	
Cash and cash equivalents	\$ 472,358
Taxes receivable	1,459,675
Total assets	\$ 1,932,033
 <u>LIABILITIES</u>	
Deposits held for others	\$ 44,504
Due to other taxing entities	1,887,529
Total liabilities	\$ 1,932,033

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016, the County implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also enhances accountability and transparency through revised note disclosures

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, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, transfers from other funds, 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, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 in accordance with section 6-6-19, NMSA 1978 statutes of the State of New Mexico. 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 percent of the prior year’s budget of the County. At June 30, 1999, \$50,000,000 in corpus was established in 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 used 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, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 percent 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 Reserve Fund and the Detention 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.

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, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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:

<u>Assets</u>	<u>Years</u>
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.

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. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. 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.

M. 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 are amortized over the life of the debt using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding 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.

N. 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.

O. 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

P. 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.

Q. 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.

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, 2016**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by County Commissioner Ordinances. 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 (i.e. County Ordinance).

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, 2016**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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	\$	\$ 770,448	\$	\$	\$	\$
Prepaid items	170,101	14,223	617	63,283		45,065
Permanent					50,000,000	
Restricted:						
Debt service						4,168,643
Capital projects		278,685				2,200,169
State/federal projects						589,620
Health services			968,460			
Fire protection						5,460,336
Law enforcement						384,560
Environmental services						48,398
Committed:						
Capital projects						372,058
Health services						28,818
County assessor						742,580
County clerk						152,075
Law enforcement						21,783
Unassigned	5,515,570			(637,586)		
Total fund balances	<u>\$ 5,685,671</u>	<u>\$1,063,356</u>	<u>\$ 969,077</u>	<u>\$ (574,303)</u>	<u>\$ 50,000,000</u>	<u>\$ 14,214,105</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Detention Construction Fund, a major governmental fund, reported a deficit of \$574,303 in fund balance.

The deficit arose because of operations during the current and prior year, and the execution of the interfund advance with the County Permanent Fund. Gross receipts taxes to be received in future fiscal years are expected to eliminate the deficit.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 – CASH AND INVESTMENTS

At year end, the carrying amount of the County’s deposits was \$5,593,278 and the bank balance was \$5,734,219. 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 percent of the uninsured balance. The County’s agreement with its sole depository requires pledged collateral of 102 percent 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, \$5,345,890 of the County’s bank balance was exposed to custodial credit risk as uninsured and \$3,305,362 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	\$ 5,803,767
Less FDIC coverage	457,877
Total unsecured public funds	5,345,890
50% collateral requirement	2,672,945
Pledged securities, fair value	3,551,080
Pledged in excess of requirement	\$ 878,135

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 – CASH AND INVESTMENTS

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end the County’s investments consisted of the following:

Investment Type	Category	Investment Maturities (in Years)				Credit Risk Concentrations
		Fair Value	Less than 1	1-5	6-10	
Money market - investments	N/A	\$ 69,548	\$ 69,548	\$	\$	0.11%
State investment pool	N/A	286,022	286,022			0.45%
Corporate bond	Level 2	19,491,846	5,550,590	13,941,256		30.38%
U.S. Treasuries	Level 2	12,151,848	350,358	11,801,490		18.94%
U.S. Agencies:						
Federal National Mortgage Association	Level 2	11,954,061	1,971,236	9,982,825		18.63%
Federal Home Loan Mortgage Corporation	Level 2	6,527,750		4,460,390	2,067,360	10.17%
Federal Home Loan Bank	Level 2	4,775,209	1,440,510	3,334,699		7.44%
Federal Farm Credit Bank	Level 2	8,376,849	2,700,799	5,676,050		13.05%
Investments – NMFA Pooled Debt Service Account	Level 2	537,420	537,420			0.84%
Total		\$ 64,170,553	\$ 12,906,483	\$ 49,196,710	\$ 2,067,360	100.00%

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 44 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 percent.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 – CASH AND INVESTMENTS

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. Participants in the New Mexico State Treasurer’s Investment Pool are not required to categorize the values of shares in accordance with the fair value hierarchy.

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	\$ 402,502	\$	\$	\$	\$ 88,502
Gasoline and motor vehicle	12,859	132,508			
Gross receipts			452,388	993,407	544,327
Other taxes	62,128		65,425		
Accounts	44,891	15,655			7,721
Due from state government					128,288
Net receivables	<u>\$ 522,380</u>	<u>\$ 148,163</u>	<u>\$ 517,813</u>	<u>\$ 993,407</u>	<u>\$ 768,838</u>

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	\$ 315,154	\$ 77,386
Other taxes	22,038	
Charges for services	45,791	6,756
Total deferred inflows of resources	<u>\$ 382,983</u>	<u>\$ 84,142</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,821,441	\$	\$	\$ 3,821,441
Construction in progress	17,646,082	1,677,280	650,767	18,672,595
Infrastructure (paved and unpaved)	48,567,466		133,996	48,433,470
Fine art	641,421	760		642,181
Total capital assets, not being depreciated	<u>70,676,410</u>	<u>1,678,040</u>	<u>784,763</u>	<u>71,569,687</u>
Capital assets, being depreciated:				
Land improvements	635,438			635,438
Buildings and improvements	43,052,984	855,078		43,908,062
Vehicles, furniture, and equipment	31,489,040	1,050,523		32,539,563
Bridges	14,200,000			14,200,000
Total capital assets being depreciated	<u>89,377,462</u>	<u>1,905,601</u>		<u>91,283,063</u>
Less accumulated depreciation for:				
Land improvements	(282,553)	(23,953)		(306,506)
Buildings and improvements	(16,868,575)	(1,426,960)		(18,295,535)
Vehicles, furniture, and equipment	(18,938,295)	(1,301,966)		(20,240,261)
Bridges	(8,543,249)	(224,517)		(8,767,766)
Total accumulated depreciation	<u>(44,632,672)</u>	<u>(2,977,396)</u>		<u>(47,610,068)</u>
Total capital assets, being depreciated, net	<u>44,744,790</u>	<u>(1,071,795)</u>		<u>43,672,995</u>
Governmental activities capital assets, net	<u>\$ 115,421,200</u>	<u>\$ 606,245</u>	<u>\$ 784,763</u>	<u>\$115,242,682</u>

Governmental capital asset depreciation by function is as follows:

General government	\$ 589,648
Public safety	1,364,341
Public works	<u>1,023,407</u>
Total	<u>\$ 2,977,396</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 \$18.7 million on the projects and had estimated remaining contractual commitments of \$22,853. These projects are being funded with loans and future gross receipts tax collections.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016</u>	<u>Due Within One Year</u>
Governmental activities:					
2007 Refunding Bonds	\$ 10,000,000	3.9%-4.1%	8/1/16-20	\$ 4,135,000	\$ 1,140,000
Total				<u>\$ 4,135,000</u>	<u>\$ 1,140,000</u>

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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>\$ 4,135,000</u>	<u>\$ 301,265</u>

Pledged revenues – governmental activities. The County has pledged future gross receipts tax revenues to repay outstanding refunding bonds of \$4.1 million as of June 30, 2016. 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 approximately 50 percent of gross receipts taxes recognized in the Revenue Bond #2 Fund. Total principal and interest to be paid on the bonds is \$4.4 million. The current total gross receipts tax revenues recognized in Revenue Bond #2 Fund were \$2.4 million and the total principal and interest paid on the bonds was \$1.2 million, or 52 percent of gross revenues.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, Sierra Fire District, and Chaves County Fire District #8 Funds, all non-major governmental funds. The NMFA loans are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Original Amount of Issue</u>	<u>Balance June 30, 2016</u>
District #8 Fire Equipment	March 2003	May 2023	3.00%	\$ 125,000	\$ 52,525
East Grand Plains Fire Equipment	April 2004	May 2024	3.66%-4.27%	269,708	131,093
East Grand Plains Fire Equipment	September 2006	May 2017	3.95%	150,000	18,181
Midway Fire Equipment	April 2009	May 2030	3.00%	162,400	123,307
East Grand Plains Fire Equipment	May 2011	May 2022	2.49%-3.86%	126,875	109,706
County Detention Center Loan	June 2013	June 2023	4.10%-5.10%	4,725,000	3,505,000
Sierra Substation	July 2013	May 2033	1.00% - 3.395%	619,613	546,555
Sierra Fire Truck	July 2014	May 2025	0.76% - 2.93%	267,003	245,295
Total				<u>\$ 6,445,599</u>	<u>\$ 4,731,662</u>

Year ending June 30:	<u>Principal</u>	<u>Interest</u>
2017	\$ 538,293	\$ 203,789
2018	541,679	179,290
2019	587,455	154,271
2020	610,227	131,928
2021	633,328	103,448
2022-26	1,523,199	165,388
2027-31	218,308	32,540
2032-34	79,173	3,700
Total	<u>\$ 4,731,662</u>	<u>\$ 974,354</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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 \$406,637 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:		
	2017	\$ 280,468
	2018	146,878
	2019	72,434
	2020	37,497
	Thereafter	11,050
	Total minimum payments required	<u>\$ 548,327</u>

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 5,195,000	\$	\$ 1,060,000	\$ 4,135,000	\$ 1,140,000
Bond premium payable	91,113		22,982	68,131	
Total bonds payable	<u>5,286,113</u>		<u>1,082,982</u>	<u>4,203,131</u>	<u>1,140,000</u>
Loans payable	5,244,074		512,412	4,731,662	538,293
Loan premium payable	626,467		78,308	548,159	
Total loans payable	<u>5,870,541</u>		<u>590,720</u>	<u>5,279,821</u>	<u>538,293</u>
Net pension liability	11,029,784	4,537,246		15,567,030	
Compensated absences	651,125	660,036	623,392	687,769	503,527
Total	<u>\$ 22,837,563</u>	<u>\$ 5,197,282</u>	<u>\$ 2,297,094</u>	<u>\$ 25,737,751</u>	<u>\$ 2,181,820</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances –

Fire and Ambulance Excise Tax Fund:

In a prior year, the Sierra Fire District Fund, a non-major governmental fund, borrowed resources from the Fire and Ambulance Excise Tax Fund, a non-major governmental fund, to purchase fire equipment. The advance is payable over 10 years at a three percent interest rate. As of June 30, 2016, advances outstanding were \$16,578, and interest paid during the fiscal year was \$654.

Permanent Fund:

In a prior year, the County Commissioners adopted Ordinance O-092 in a public hearing authorizing the purchase of a \$4.0 million promissory note by the Permanent Fund. The proceeds of the note were placed in the Detention Construction Fund to provide funds for the construction, expansion and improvement of the Chaves County Detention Center. The promissory note is considered a municipal security held in the Permanent Fund investment portfolio, and is in accordance with the County Investment Policy and 6-10-10, NMSA 1978.

The promissory note specifies a four-year repayment term with a stated interest rate of 1.60 percent. Repayments began January 13, 2016, and consist of semi-annual principal payments of \$500,000 with a final maturity date of July 13, 2019. As of June 30, 2016, advances outstanding were \$3.5 million, and interest paid during the fiscal year was \$64,000

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	
<u>Transfers out</u>					
General Fund	\$	\$2,900,000	\$ 500,000	\$ 1,125,000	\$ 4,525,000
Detention Construction Fund	850,000				850,000
Non-Major Governmental Funds	100,000	100,000	900,000	1,200,000	2,300,000
Total	<u>\$ 950,000</u>	<u>\$3,000,000</u>	<u>\$ 1,400,000</u>	<u>\$ 2,325,000</u>	<u>\$ 7,675,000</u>

Transfers between funds were used to (1) move gross receipts taxes collected in the Revenue Bond #2 Fund to the 2007 Refunding Bond Fund (both non-major governmental funds) for the payment of bond principal and interest, (2) to move excess resources (as permitted by bond covenants and statute) from the Revenue Bond #2 Fund to the Detention Construction Fund to facilitate the completion of the Chaves County Adult and Juvenile Detention Center Expansion project, (3) to move resources from the General Fund to the Road Fund and other funds to facilitate various capital projects, (4) to move resources from the General Fund to the Detention Construction Fund to help repay the promissory note to the Permanent Fund, and (5) to move resources from the Detention Construction Fund to the General Fund to restore fund balances used in the financing of the construction project.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, property, liability, 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 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 \$131,113 and administrative fees of \$13,413. 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, 2016**

NOTE 15 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description. The Public Employees Retirement Association (PERA) Fund is a cost-sharing, multiple employer defined benefit pension plan. The Fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plans. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the plan. Certain coverage plans are only applicable to a specific division.

Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained from the PERA website at <http://www.pera.state.nm.us/>.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Benefits Provided. The County participates in two PERA plans: Municipal General Plan 4 and Municipal Police Plan 5. State statute establishes benefit terms for the PERA Fund. The following table provides a summary of eligibility criteria, benefits, and contribution rates:

	Municipal General Plan 4		Municipal Police Plan 5	
	Tier I	Tier II	Tier I	Tier II
Highest average salary	3 years	5 years	3 years	5 years
Years of service and age of eligibility	25 years any age Various ages 61-64 5 years age 65	Rule of 85 8 years age 65	20 years any age Various ages 61-64 5 years age 65	25 years any age 6 years age 60
Vesting period	5 years	8 years	5 years	8 years
Benefit percent per year of service	3.0%	2.5%	3.5%	3.0%
Maximum benefit as percent of final average salary	90%	90%	90%	90%
Annual cost of living adjustment	2.0% with graduated eligibility period	2.0% with 7-year eligibility period	2.0% with graduated eligibility period	2.0% with 7-year eligibility period
Required contribution rates:				
Employer	12.05%	12.05%	18.90%	18.90%
Employee < \$20,000	15.65%	15.65%	16.30%	16.30%
Employee > \$20,000	17.15%	17.15%	17.80%	17.80%

Contributions. The contribution requirements of PERA Fund members are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature.

The combined employee and employer contribution rates (listed in the table above) are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. The County's contributions to the Municipal General Plan 4 and Municipal Police Plan 5 pension plans for the year ended June 30, 2016 were \$943,634 and \$341,220, respectively.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an actuarial valuation performed as of June 30, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer’s proportionate share was established as of the measurement date of June 30, 2015.

The assets of the PERA Fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to Chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows of resources were performed separately for each of the membership groups.

The County’s proportionate share of the net pension liability for each of the County’s membership groups is based on the share of the County’s employer contributions relative to each membership group’s total employer contributions for the fiscal year ended June 30, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Employer contributions on behalf of the employee were excluded from the calculation. In the event that a participating employer is behind in its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions for the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

The County’s proportionate share of each PERA plan’s net pension liability, and each plan’s annual pension expense, as of and for the year ended June 30, 2016 are shown in the table below. The County’s proportionate share in the Municipal General Plan 4 increased 0.0231 percent from the prior year, and the County’s proportionate share in the Municipal Police Plan 5 increased 0.1021 percent from the prior year.

<u>PERA Plan</u>	Net Pension Liability and Pension Expense		
	<u>Proportionate Share of Net Pension Liability</u>	<u>Percent of Net Pension Liability</u>	<u>Pension Expense</u>
Municipal General Plan 4	\$ 11,347,999	1.1130%	\$ 549,514
Municipal Police Plan 5	4,219,031	0.8774%	508,967
	\$ 15,567,030		\$ 1,058,481

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the County’s PERA Fund divisions:

	<u>Municipal General Plan 4</u>		<u>Municipal General Plan 5</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 251,363	\$ 294,808	\$
Changes of assumptions or other inputs		4,421		174,550
Net difference between projected and actual earnings on pension plan investments		35,897		11,703
Changes in proportion and differences between contributions and proportionate share of contributions	137,603		254,151	
Contributions subsequent to the measurement date	943,634		341,220	
Total	<u>\$ 1,081,237</u>	<u>\$ 291,681</u>	<u>\$ 890,179</u>	<u>\$ 186,253</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		Municipal General Plan 4		Municipal Police Plan 5
Year Ending June 30:				
	2017	\$ (268,033)	\$	24,159
	2018	(268,033)		24,159
	2019	(268,033)		24,159
	2020	642,539		276,411
	2021	7,482		13,818

Actuarial Assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Using the information from the June 30, 2014 valuation, each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. The following actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation:

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll growth	3.50% annual rate
Projected salary increases	3.50% to 14.25% annual rate
Inflation	3.00% annual rate
Mortality rates	RP-2000, Scale AA

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>ALL FUNDS - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	21.1%	5.00%
International equity	24.8	5.20
Private equity	7.0	8.20
Core and global fixed income	26.1	1.85
Fixed income plus sectors	5.0	4.80
Real estate	5.0	5.30
Real assets	7.0	5.70
Absolute return	4.0	4.15
Total	<u>100.0%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement 67. Therefore, the 7.75 percent assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the net pension liability in each of the County’s PERA Fund divisions calculated using the current discount rate of 7.75 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

Proportionate Share of Net Pension Liability:	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Municipal General Plan 4	\$ 19,321,140	\$ 11,347,999	\$ 4,718,875
Municipal Police Plan 5	6,967,475	4,219,031	1,964,376
Total	<u>\$ 26,288,615</u>	<u>\$ 15,567,030</u>	<u>\$ 6,683,251</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA financial report. The report is available on the PERA website at <http://www.pera.state.nm.us/>.

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, 2016**

NOTE 16 – POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

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 percent 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, 2016, the statute required each participating employer to contribute 2.5 percent of each participating employee's annual salary; and each participating employee was required to contribute 1.25 percent of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0 percent of each participating employee's annual salary; each participating employee was required to contribute 1.0 percent 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, 2016, 2015, and 2014 were \$203,335, \$190,924, and \$177,196, respectively, which equal the required contributions for each year.

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REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH
JUNE 30, 2016**

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 483.82 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, 2016**

Modified Approach for County Streets Infrastructure Capital Assets

The most recent assessment of all eligible roads was completed in November 2015 by the Chaves County Road Department (the first road assessment occurred in March 2013). 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 following table summarizes the results of these assessments:

<u>Condition</u>	<u>RSL Range</u>	<u>2015-16 % of Road</u>	<u>2012-13 % of Road</u>
Excellent – Very Good	20 – 10	77.81%	70.91%
Above average – Good	10 – 8	16.28%	11.97%
Average	8 – 6	4.42%	10.02%
Below average – Poor	6 – 4	1.49%	2.91%
Very poor – Needs immediate work	4 – 0	0.00%	4.19%
Average RSL Rating		9.78	8.79

The County performs the complete condition assessment on a three year cycle. Accordingly, the County's third condition assessment will be performed during fiscal year ended June 30, 2019.

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 2016, 35.32 miles were chip sealed utilizing Local Government Road Fund Program funding in the amount of approximately \$489,333 for materials and personnel; and 44.24 miles were chip sealed; 0.48 miles were paved, and 0.50 miles were slurry sealed utilizing County Funds in the amount of approximately \$1.2 million for materials and personnel. The remaining 7.46 miles were carried over into fiscal year 2017.

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 six years is presented below:

<u>Fiscal Year</u>	<u>Estimated Miles</u>	<u>Actual Miles</u>	<u>Estimated Expenditures</u>	<u>Actual Expenditures</u>
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	40.29	1,084,833	934,629
2015/2016	88.00	80.54	1,547,070	1,727,689
2016/2017	101.5	N/A	1,427,312	N/A

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
Municipal General Plan:		
County's proportion of the net pension liability (asset)	1.1130%	1.0899%
County's proportionate share of the net pension liability (asset)	\$ 11,347,999	\$ 8,502,390
County's covered payroll	\$ 7,319,075	\$ 6,948,721
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	155.05%	122.36%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%
Municipal Police Plan:		
County's proportion of the net pension liability (asset)	0.8774%	0.7753%
County's proportionate share of the net pension liability (asset)	\$ 4,219,031	\$ 2,527,394
County's covered payroll	\$ 1,720,334	\$ 1,493,108
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	245.24%	169.27%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

See accompanying notes to this schedule.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
Municipal General Plan:		
Actuarially determined contribution	\$ 943,634	\$ 881,948
Contributions in relation to the actuarially determined contribution	<u>943,634</u>	<u>881,948</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
County's covered payroll	\$ 7,830,984	\$ 7,319,075
Contributions as a percentage of covered payroll	12.05%	12.05%
 Municipal Police Plan:		
Actuarially determined contribution	\$ 341,220	\$ 325,143
Contributions in relation to the actuarially determined contribution	<u>341,220</u>	<u>325,143</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
County's covered payroll	\$ 1,805,398	\$ 1,720,334
Contributions as a percentage of covered payroll	18.90%	18.90%

See accompanying notes to this schedule.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

NOTE 1 – PENSION PLAN SCHEDULES

- A. Change in Accounting Principle.** For the year ended June 30, 2016, the County implemented the provisions of GASB Statement No. 82, *Pension Issues*. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.
- B. Actuarial Assumptions for Valuations Performed.** The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.
- C. Changes of Benefit Terms.** Effective July 1, 2013, new legislation was passed that resulted in two tiers of benefits under each Public Employees Retirement Association (PERA) plan. The significant benefit terms for each tier are disclosed in the notes to the financial statements.
- D. Factors that Affect Trends.** The PERA Annual Actuarial Valuation as of June 30, 2014, is available on the PERA website at <http://www.pera.state.nm.us>. The actuarial assumptions used in that valuation were based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million for Fund liabilities and an increase of 0.13% to the funded ratio.
- E. Ten Year Schedules.** Until a full ten-year trend is compiled, the County will present pension plan schedules for only those years for which information is available.

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

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - DETENTION CONSTRUCTION
YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	5,245,931	5,248,201	4,960,687	(287,514)
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	5,245,931	5,248,201	4,960,687	(287,514)
Cash balance carryforward	12,342	12,342		
Total	\$ 5,258,273	\$ 5,260,543		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	3,319,880	3,319,880	2,850,227	469,653
Debt service -				
Principal	415,000	415,000	415,000	
Interest and fees	188,685	188,685	185,770	2,915
Total expenditures	3,923,565	3,923,565	3,450,997	472,568
Other financing sources (uses):				
Transfers in	1,000,000	1,000,000	1,400,000	400,000
Transfers out	(1,000,000)	(1,000,000)	(850,000)	150,000
Total other financing sources (uses)			550,000	550,000
Change in fund balance - budgetary basis			2,059,690	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			722,521	
Unbudgeted expenditure accruals			184,723	
Interfund advances				
Change in fund balance - GAAP basis			\$ 2,966,934	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - COUNTY PERMANENT
YEAR ENDED JUNE 30, 2016**

	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	46,000,000	46,000,000		
Total	\$ 46,000,000	\$ 46,000,000		
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				
Interfund advances				
Change in fund balance - GAAP basis			\$	

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2016**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,138,607	\$ 16,930	\$ 15,914
Cash and cash equivalents - restricted		1,000,000	
Investments	8,819,836	2,699,325	
Receivables	316,450	452,388	
Prepaid items	45,065		
Interfund advances receivable	16,578		
Total assets	<u><u>\$ 10,336,536</u></u>	<u><u>\$ 4,168,643</u></u>	<u><u>\$ 15,914</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 169,070	\$	\$ 4,684
Accrued payroll	32,514		
Interfund advances payable	16,578		
Total liabilities	<u>218,162</u>		<u>4,684</u>
Deferred inflows of resources:			
Unavailable revenues	<u>84,142</u>		
Fund balances:			
Nonspendable	45,065		
Restricted	8,683,083	4,168,643	
Committed	1,306,084		11,230
Total fund balances	<u>10,034,232</u>	<u>4,168,643</u>	<u>11,230</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 10,336,536</u></u>	<u><u>\$ 4,168,643</u></u>	<u><u>\$ 15,914</u></u>

Total Non-
Major
Governmental
Fund

\$ 1,171,451
1,000,000
11,519,161
768,838
45,065
16,578

\$ 14,521,093

\$ 173,754
32,514

16,578

222,846

84,142

45,065
12,851,726
1,317,314

14,214,105

\$ 14,521,093

**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, 2016**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$ 1,349,663	\$	\$
Gross receipts taxes	557,880	2,382,803	
Other taxes	294,327		
State grants and contributions	2,721,162		
Federal grants and contributions	101,475		
Charges for services	65,059		
Investment income	1,133		
Other	237,707		
Total revenues	<u>5,328,406</u>	<u>2,382,803</u>	<u></u>
Expenditures:			
Current -			
General government	257,737		
Public safety	1,961,528		
Public works	947,634		
Health and welfare	260,499		
Capital outlay	1,397,164		1,126,675
Debt service -			
Principal	97,412	1,060,000	
Interest and fees	41,545	185,790	
Total expenditures	<u>4,963,519</u>	<u>1,245,790</u>	<u>1,126,675</u>
Excess (deficiency) of revenues over expenditures	<u>364,887</u>	<u>1,137,013</u>	<u>(1,126,675)</u>
Other financing sources (uses):			
Transfers in		1,200,000	1,125,000
Transfers out	(100,000)	(2,200,000)	
Total other financing sources (uses):	<u>(100,000)</u>	<u>(1,000,000)</u>	<u>1,125,000</u>
Changes in fund balances	<u>264,887</u>	<u>137,013</u>	<u>(1,675)</u>
Fund balances, beginning of year	9,769,345	4,031,630	12,905
Fund balances, end of year	<u>\$ 10,034,232</u>	<u>\$ 4,168,643</u>	<u>\$ 11,230</u>

Total Non-
Major
Governmental
Funds

\$ 1,349,663
2,940,683
294,327
2,721,162
101,475
65,059
1,133
237,707
7,711,209

257,737
1,961,528
947,634
260,499
2,523,839

1,157,412
227,335
7,335,984

375,225

2,325,000
(2,300,000)
25,000

400,225

13,813,880

\$ 14,214,105

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, 2016**

	<u>Farm and Range</u>	<u>Recreation</u>	<u>Dunken Fire District</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 35,417	\$ 3,161	\$
Investments			229,300
Receivables			
Prepaid items			3,632
Interfund advances receivable			
Total assets	<u>\$ 35,417</u>	<u>\$ 3,161</u>	<u>\$ 232,932</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 1,948
Accrued payroll			
Interfund advances payable			
Total liabilities			<u>1,948</u>
Deferred inflows of resources:			
Unavailable revenues			
Fund balances:			
Nonspendable			3,632
Restricted	35,417	3,161	227,352
Committed			
Total fund balances	<u>35,417</u>	<u>3,161</u>	<u>230,984</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 35,417</u>	 <u>\$ 3,161</u>	 <u>\$ 232,932</u>

East Grand Plains Fire District	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District	Rio Felix Fire District
\$ 224,340	\$ 333,970	\$ 372,630	\$ 466,159	\$ 213,991	\$ 340,986
5,282	4,884	4,957	369	6,023	2,945
	3,816		4,730		
<u>\$ 229,622</u>	<u>\$ 342,670</u>	<u>\$ 377,587</u>	<u>\$ 471,258</u>	<u>\$ 220,014</u>	<u>\$ 343,931</u>
\$ 16,446	\$ 145	\$ 18,914	\$ 17,573	\$ 9,757	\$ 1,891
				16,578	
<u>16,446</u>	<u>145</u>	<u>18,914</u>	<u>17,573</u>	<u>26,335</u>	<u>1,891</u>
	4,884				
5,282	3,816	4,957	4,730	6,023	2,945
207,894	333,825	353,716	448,955	187,656	339,095
<u>213,176</u>	<u>337,641</u>	<u>358,673</u>	<u>453,685</u>	<u>193,679</u>	<u>342,040</u>
<u>\$ 229,622</u>	<u>\$ 342,670</u>	<u>\$ 377,587</u>	<u>\$ 471,258</u>	<u>\$ 220,014</u>	<u>\$ 343,931</u>

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016**

	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
<u>ASSETS</u>			
Cash and cash equivalents	\$	\$	\$ 25,908
Investments	77,378	3,219,258	
Receivables	1,872	61,294	
Prepaid items	3,654		
Interfund advances receivable		16,578	
Total assets	\$ 82,904	\$ 3,297,130	\$ 25,908
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 12,665	\$	\$ 10,461
Accrued payroll			
Interfund advances payable			
Total liabilities	12,665		10,461
Deferred inflows of resources:			
Unavailable revenues	1,872		
Fund balances:			
Nonspendable	3,654		
Restricted	64,713	3,297,130	15,447
Committed			
Total fund balances	68,367	3,297,130	15,447
Total liabilities, deferred inflows of resources and fund balances	\$ 82,904	\$ 3,297,130	\$ 25,908

<u>Public Safety Grant</u>	<u>DWI Grant</u>	<u>Sheriff Forfeiture</u>	<u>Correction</u>	<u>Environmental</u>	<u>Flood Control</u>
\$ 18,347	\$ 116,395	\$ 21,783	\$ 202,156	\$ 40,055	\$
5,480	44,214 516			30,645 92	2,227,267 88,502 8,681
<u>\$ 23,827</u>	<u>\$ 161,125</u>	<u>\$ 21,783</u>	<u>\$ 202,156</u>	<u>\$ 70,792</u>	<u>\$ 2,324,450</u>
\$ 403 779	\$ 8,757 3,763	\$	\$ 1,202 2,575	\$ 21,198 1,104	\$ 22,398 15,816
<u>1,182</u>	<u>12,520</u>		<u>3,777</u>	<u>22,302</u>	<u>38,214</u>
					<u>77,386</u>
22,645	516 148,089		198,379	92 48,398	8,681 2,200,169
<u>22,645</u>	<u>148,605</u>	<u>21,783</u>	<u>198,379</u>	<u>48,490</u>	<u>2,208,850</u>
<u>\$ 23,827</u>	<u>\$ 161,125</u>	<u>\$ 21,783</u>	<u>\$ 202,156</u>	<u>\$ 70,792</u>	<u>\$ 2,324,450</u>

(Continued)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016**

	<u>Road Special Construction</u>	<u>Clerk Recording and Filing</u>	<u>Property Valuation</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$	\$ 152,375	\$
Investments	360,828		753,729
Receivables			
Prepaid items			737
Interfund advances receivable			
Total assets	<u>\$ 360,828</u>	<u>\$ 152,375</u>	<u>\$ 754,466</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 300	\$ 3,845
Accrued payroll			7,304
Interfund advances payable			
Total liabilities		<u>300</u>	<u>11,149</u>
Deferred inflows of resources:			
Unavailable revenues			
Fund balances:			
Nonspendable			737
Restricted			
Committed	360,828	152,075	742,580
Total fund balances	<u>360,828</u>	<u>152,075</u>	<u>743,317</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 360,828</u>	<u>\$ 152,375</u>	<u>\$ 754,466</u>

Other Grants and Contracts	CDBG	Restricted Health Services	Totals
\$ 392,192	\$ 102,000	\$ 28,818	\$ 1,138,607
			8,819,836
79,190			316,450
			45,065
			16,578
<u>\$ 471,382</u>	<u>\$ 102,000</u>	<u>\$ 28,818</u>	<u>\$ 10,336,536</u>
\$ 21,167	\$	\$	\$ 169,070
1,173			32,514
			16,578
<u>22,340</u>			<u>218,162</u>
			<u>84,142</u>
449,042	102,000		45,065
			8,683,083
		28,818	1,306,084
<u>449,042</u>	<u>102,000</u>	<u>28,818</u>	<u>10,034,232</u>
<u>\$ 471,382</u>	<u>\$ 102,000</u>	<u>\$ 28,818</u>	<u>\$ 10,336,536</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, 2016**

	<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			70,068
Federal grants and contributions	81,470		
Charges for services			
Investment income			
Other			8
Total revenues	<u>81,470</u>	<u></u>	<u>70,076</u>
Expenditures:			
Current -			
General government			
Public safety			36,908
Public works			
Health and welfare	61,693		
Capital outlay			70,103
Debt service -			
Principal			
Interest and fees			
Total expenditures	<u>61,693</u>	<u></u>	<u>107,011</u>
Excess (deficiency) of revenues over expenditures	<u>19,777</u>	<u></u>	<u>(36,935)</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>19,777</u>	<u></u>	<u>(36,935)</u>
Fund balances, beginning of year	15,640	3,161	267,919
Fund balances, end of year	<u>\$ 35,417</u>	<u>\$ 3,161</u>	<u>\$ 230,984</u>

<u>East Grand Plains Fire District</u>	<u>Penasco Fire District</u>	<u>Midway Fire District</u>	<u>Berrendo Fire District</u>	<u>Sierra Fire District</u>	<u>Rio Felix Fire District</u>
\$	\$	\$	\$	\$	\$
158,742	132,353	163,303	189,370	333,064	49,309
<u>158,742</u>	<u>132,353</u>	<u>163,303</u>	<u>2,130</u> <u>191,500</u>	<u>5,521</u> <u>338,585</u>	<u>49,309</u>
69,056	35,617	93,656	86,439	192,022	20,566
35,515 11,483		7,006 3,909	36,564	48,238 24,378	
<u>116,054</u>	<u>35,617</u>	<u>104,571</u>	<u>123,003</u>	<u>264,638</u>	<u>20,566</u>
<u>42,688</u>	<u>96,736</u>	<u>58,732</u>	<u>68,497</u>	<u>73,947</u>	<u>28,743</u>
<u>42,688</u>	<u>96,736</u>	<u>58,732</u>	<u>68,497</u>	<u>73,947</u>	<u>28,743</u>
170,488	240,905	299,941	385,188	119,732	313,297
<u>\$ 213,176</u>	<u>\$ 337,641</u>	<u>\$ 358,673</u>	<u>\$ 453,685</u>	<u>\$ 193,679</u>	<u>\$ 342,040</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, 2016**

	<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		371,794	
Other taxes			
State grants and contributions	81,746		42,799
Federal grants and contributions			
Charges for services			
Investment income		1,049	
Other			
Total revenues	<u>81,746</u>	<u>372,843</u>	<u>42,799</u>
Expenditures:			
Current -			
General government			
Public safety	58,970		40,353
Public works			
Health and welfare			
Capital outlay		157,226	
Debt service -			
Principal	6,653		
Interest and fees	1,775		
Total expenditures	<u>67,398</u>	<u>157,226</u>	<u>40,353</u>
Excess (deficiency) of revenues over expenditures	<u>14,348</u>	<u>215,617</u>	<u>2,446</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>14,348</u>	<u>215,617</u>	<u>2,446</u>
Fund balances, beginning of year	54,019	3,081,513	13,001
Fund balances, end of year	<u>\$ 68,367</u>	<u>\$ 3,297,130</u>	<u>\$ 15,447</u>

<u>Public Safety Grant</u>	<u>DWI Grant</u>	<u>Sheriff Forfeiture</u>	<u>Correction</u>	<u>Environmental</u>	<u>Flood Control</u>
\$	\$	\$	\$	\$	\$
				186,086	1,349,663
17,492 10,005	496,794		144,916		
	99,350				693
<u>27,497</u>	<u>596,144</u>		<u>144,916</u>	<u>186,086</u>	<u>1,350,356</u>
17,498	657,840		124,727		947,634
				176,878	373,172
<u>17,498</u>	<u>657,840</u>		<u>124,727</u>	<u>176,878</u>	<u>1,320,806</u>
<u>9,999</u>	<u>(61,696)</u>		<u>20,189</u>	<u>9,208</u>	<u>29,550</u>
			(100,000)		
			(100,000)		
<u>9,999</u>	<u>(61,696)</u>		<u>(79,811)</u>	<u>9,208</u>	<u>29,550</u>
12,646	210,301	21,783	278,190	39,282	2,179,300
<u>\$ 22,645</u>	<u>\$ 148,605</u>	<u>\$ 21,783</u>	<u>\$ 198,379</u>	<u>\$ 48,490</u>	<u>\$ 2,208,850</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, 2016**

	<u>Road Special Construction</u>	<u>Clerk Recording and Filing</u>	<u>Property Valuation</u>
Revenues:			
Property taxes	\$	\$	\$
Gross receipts taxes			
Other taxes			294,327
State grants and contributions			
Federal grants and contributions			
Charges for services		65,059	
Investment income			
Other	130,005		
Total revenues	<u>130,005</u>	<u>65,059</u>	<u>294,327</u>
Expenditures:			
Current -			
General government		38,148	219,589
Public safety			
Public works			
Health and welfare			
Capital outlay	532,964		
Debt service -			
Principal			
Interest and fees			
Total expenditures	<u>532,964</u>	<u>38,148</u>	<u>219,589</u>
Excess (deficiency) of revenues over expenditures	<u>(402,959)</u>	<u>26,911</u>	<u>74,738</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(402,959)</u>	<u>26,911</u>	<u>74,738</u>
Fund balances, beginning of year	763,787	125,164	668,579
Fund balances, end of year	<u>\$ 360,828</u>	<u>\$ 152,075</u>	<u>\$ 743,317</u>

Other Grants and Contracts	CDBG	Restricted Health Services	Totals
\$	\$	\$	\$ 1,349,663
			557,880
			294,327
841,206			2,721,162
10,000			101,475
			65,059
84			1,133
			237,707
851,290			5,328,406
			257,737
527,876			1,961,528
			947,634
		21,928	260,499
227,135			1,397,164
			97,412
			41,545
755,011		21,928	4,963,519
96,279		(21,928)	364,887
			(100,000)
			(100,000)
96,279		(21,928)	264,887
352,763	102,000	50,746	9,769,345
\$ 449,042	\$ 102,000	\$ 28,818	\$ 10,034,232

**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, 2016**

	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	40,000	52,520	52,512	(8)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	40,000	52,520	52,512	(8)
Cash balance carryforward	44,598	44,598		
Total	\$ 84,598	\$ 97,118		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	49,750	62,700	61,693	1,007
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	49,750	62,700	61,693	1,007
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(9,181)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			28,958	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 19,777	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - RECREATION
YEAR ENDED JUNE 30, 2016**

	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	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash balance carryforward	<u>\$ 3,161</u>	<u>\$ 3,161</u>		
Total	<u>\$ 3,161</u>	<u>\$ 3,161</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Change in fund balance - budgetary basis				
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals			<u> </u>	
Change in fund balance - GAAP basis			<u>\$</u>	

**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, 2016**

	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	70,068	70,068	70,068	
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other			8	8
Total revenues	70,068	70,068	70,076	8
Cash balance carryforward	262,376	262,376		
Total	\$ 332,444	\$ 332,444		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	61,063	63,953	36,908	27,045
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	75,000	72,110	70,103	2,007
Debt service -				
Principal				
Interest and fees				
Total expenditures	136,063	136,063	107,011	29,052
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(36,935)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (36,935)	

**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, 2016**

	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	111,706	111,706	158,742	47,036
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>111,706</u>	<u>111,706</u>	<u>158,742</u>	<u>47,036</u>
Cash balance carryforward	<u>164,448</u>	<u>164,448</u>		
Total	<u>\$ 276,154</u>	<u>\$ 276,154</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	89,557	108,607	70,046	38,561
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	75,000	55,950		55,950
Debt service -				
Principal	35,515	35,515	35,515	
Interest and fees	11,483	11,483	11,483	
Total expenditures	<u>211,555</u>	<u>211,555</u>	<u>117,044</u>	<u>94,511</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			41,698	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals			<u>990</u>	
Change in fund balance - GAAP basis			<u>\$ 42,688</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, 2016**

	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	133,000	133,000	132,353	(647)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	133,000	133,000	132,353	(647)
Cash balance carryforward	235,167	235,167		
Total	\$ 368,167	\$ 368,167		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	79,813	79,813	35,617	44,196
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	30,000	30,000		30,000
Debt service -				
Principal				
Interest and fees				
Total expenditures	109,813	109,813	35,617	74,196
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			96,736	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 96,736	

**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, 2016**

	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	139,752	152,302	163,303	11,001
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>139,752</u>	<u>152,302</u>	<u>163,303</u>	<u>11,001</u>
Cash balance carryforward	<u>299,788</u>	<u>299,788</u>		
Total	<u>\$ 439,540</u>	<u>\$ 452,090</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	166,561	166,561	93,656	72,905
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	62,000	62,000		62,000
Debt service -				
Principal	7,006	7,006	7,006	
Interest and fees	4,114	4,114	3,909	205
Total expenditures	<u>239,681</u>	<u>239,681</u>	<u>104,571</u>	<u>135,110</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			58,732	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 58,732</u>	

**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, 2016**

	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	184,251	184,251	189,370	5,119
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other			2,130	2,130
Total revenues	184,251	184,251	191,500	7,249
Cash balance carryforward	408,494	408,494		
Total	\$ 592,745	\$ 592,745		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	128,804	127,374	86,439	40,935
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	135,000	136,570	36,564	100,006
Debt service -				
Principal				
Interest and fees				
Total expenditures	263,804	263,944	123,003	140,941
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			68,497	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 68,497	

**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, 2016**

	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	248,444	248,444	333,064	84,620
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other			5,521	5,521
Total revenues	248,444	248,444	338,585	90,141
Cash balance carryforward	138,589	138,589		
Total	\$ 387,033	\$ 387,033		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	221,795	194,095	192,022	2,073
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	10,000	1,961		1,961
Debt service -				
Principal	48,238	48,238	48,238	
Interest and fees	23,848	59,587	24,378	35,209
Total expenditures	303,881	303,881	264,638	39,243
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			73,947	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 73,947	

**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, 2016**

	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	49,309	49,309	49,309	
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>49,309</u>	<u>49,309</u>	<u>49,309</u>	
Cash balance carryforward	<u>308,486</u>	<u>308,486</u>		
Total	<u>\$ 357,795</u>	<u>\$ 357,795</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	71,923	71,923	20,566	51,357
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	250,000	250,000		250,000
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>321,923</u>	<u>321,923</u>	<u>20,566</u>	<u>301,357</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			28,743	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 28,743</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, 2016**

	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	73,318	73,318	81,746	8,428
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	73,318	73,318	81,746	8,428
Cash balance carryforward	50,637	50,637		
Total	\$ 123,955	\$ 123,955		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	75,800	75,800	58,287	17,513
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	34,000	34,000		34,000
Debt service -				
Principal	6,653	6,653	6,653	
Interest and fees	1,794	1,794	1,775	19
Total expenditures	118,247	118,247	66,715	51,532
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			15,031	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals			(683)	
Change in fund balance - GAAP basis			\$ 14,348	

**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, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	431,603	427,829	370,906	(56,923)
State grants and contributions				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income		3,774	1,049	(2,725)
Contributions				
Other				
Total revenues	431,603	431,603	371,955	(59,648)
Cash balance carryforward	2,999,321	2,999,321		
Total	\$ 3,430,924	\$ 3,430,924		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	945,215	945,215	157,226	787,989
Debt service -				
Principal				
Interest and fees				
Total expenditures	945,215	945,215	157,226	787,989
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			214,729	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			888	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 215,617	

**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, 2016**

	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	42,799	(601)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	43,400	43,400	42,799	(601)
Cash balance carryforward	5,709	5,709		
Total	\$ 49,109	\$ 49,109		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	43,400	43,400	40,353	3,047
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	43,400	43,400	40,353	3,047
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			2,446	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 2,446	

**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, 2016**

	<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				
State grants and contributions	9,160	10,610	17,492	6,882
Federal grants and contributions		9,160	6,442	(2,718)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>9,160</u>	<u>19,770</u>	<u>23,934</u>	<u>4,164</u>
Cash balance carryforward	<u>22,527</u>	<u>22,527</u>		
Total	<u>\$ 31,687</u>	<u>\$ 42,297</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	9,160	30,182	17,498	12,684
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>9,160</u>	<u>30,182</u>	<u>17,498</u>	<u>12,684</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			6,436	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			3,563	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 9,999</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, 2016**

	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	486,393	490,293	499,704	9,411
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other	138,406	138,406	99,350	(39,056)
Total revenues	624,799	628,699	599,054	(29,645)
Cash balance carryforward	148,916	148,916		
Total	\$ 773,715	\$ 777,615		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	689,516	688,418	657,840	30,578
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	689,516	688,418	657,840	30,578
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(58,786)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(2,910)	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (61,696)	

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - SHERIFF FORFEITURE
 YEAR ENDED JUNE 30, 2016

	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	1,606	1,606		
Total	\$ 1,606	\$ 1,606		
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				
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 - CORRECTION
YEAR ENDED JUNE 30, 2016**

	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	157,000	157,000	144,916	(12,084)
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>157,000</u>	<u>157,000</u>	<u>144,916</u>	<u>(12,084)</u>
Cash balance carryforward	<u>247,027</u>	<u>247,027</u>		
Total	<u>\$ 404,027</u>	<u>\$ 404,027</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	132,409	132,409	124,727	7,682
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>132,409</u>	<u>132,409</u>	<u>124,727</u>	<u>7,682</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			(79,811)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ (79,811)</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ENVIRONMENTAL
YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	219,792	219,792	185,643	(34,149)
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	219,792	219,792	185,643	(34,149)
Cash balance carryforward	42,539	42,539		
Total	\$ 262,331	\$ 262,331		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	259,056	259,056	176,878	82,178
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	259,056	259,056	176,878	82,178
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			8,765	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			443	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 9,208	

**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, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other			4,151	4,151
Total revenues			4,151	4,151
Cash balance carryforward	43,494	43,494		
Total	\$ 43,494	\$ 43,494		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare	1,000	1,000		1,000
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	1,000	1,000		1,000
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			4,151	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(3,963)	
Unbudgeted expenditure accruals				
Change in fund balance reported in the General Fund			(188)	
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, 2016**

	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	1,265,000	1,718,886	1,230,754	(488,132)
Contributions				
Other				
Total revenues	<u>1,265,000</u>	<u>1,718,886</u>	<u>1,230,754</u>	<u>(488,132)</u>
Cash balance carryforward	<u>1,361,692</u>	<u>1,361,692</u>		
Total	<u>\$ 2,626,692</u>	<u>\$ 3,080,578</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u></u>	<u></u>	<u></u>	<u></u>
Other financing sources (uses):				
Transfers in				
Transfers out	(1,750,000)	(3,250,000)	(3,100,000)	150,000
Total other financing sources (uses)	<u>(1,750,000)</u>	<u>(3,250,000)</u>	<u>(3,100,000)</u>	<u>150,000</u>
Change in fund balance - budgetary basis			(1,869,246)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance reported in the General Fund			<u>1,869,246</u>	
Change in fund balance - GAAP basis			<u>\$</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - FLOOD CONTROL
YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$ 1,033,454	\$ 1,344,081	\$ 1,350,718	\$ 6,637
Gasoline and motor vehicle taxes				
Gross receipts taxes				
State grants and contributions				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other	2,500	2,500	693	(1,807)
Total revenues	<u>1,035,954</u>	<u>1,346,581</u>	<u>1,351,411</u>	<u>4,830</u>
Cash balance carryforward	<u>2,176,942</u>	<u>2,176,942</u>		
Total	<u>\$ 3,212,896</u>	<u>\$ 3,523,523</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works	1,188,559	1,206,905	947,634	259,271
Culture and recreation				
Health and welfare				
Capital outlay	462,000	443,654	373,172	70,482
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>1,650,559</u>	<u>1,650,559</u>	<u>1,320,806</u>	<u>329,753</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			30,605	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(1,055)	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 29,550</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, 2016**

	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	130,000	130,000	130,005	5
Total revenues	130,000	130,000	130,005	5
Cash balance carryforward	763,787	763,787		
Total	\$ 893,787	\$ 893,787		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	445,675	532,964	532,964	
Debt service -				
Principal				
Interest and fees				
Total expenditures	445,675	532,964	532,964	
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(402,959)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (402,959)	

**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, 2016**

	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	64,000	64,000	65,059	1,059
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	<u>64,000</u>	<u>64,000</u>	<u>65,059</u>	<u>1,059</u>
Cash balance carryforward	<u>168,246</u>	<u>168,246</u>		
Total	<u>\$ 232,246</u>	<u>\$ 232,246</u>		
Expenditures:				
Current -				
General government	\$ 88,081	\$ 88,081	38,148	49,933
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>88,081</u>	<u>88,081</u>	<u>38,148</u>	<u>49,933</u>
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			26,911	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			<u>\$ 26,911</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PROPERTY VALUATION
YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes				
Other taxes	263,000	263,000	294,327	31,327
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	263,000	263,000	294,327	31,327
Cash balance carryforward	674,486	674,486		
Total	\$ 937,486	\$ 937,486		
Expenditures:				
Current -				
General government	\$ 260,634	\$ 260,634	219,589	41,045
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures	260,634	260,634	219,589	41,045
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			74,738	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 74,738	

**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, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
State grants and contributions	695,376	1,112,433	988,000	(124,433)
Federal grants and contributions			10,000	10,000
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income			84	84
Contributions				
Other				
Total revenues	695,376	1,112,433	998,084	(114,349)
Cash balance carryforward	161,386	161,386		
Total	\$ 856,762	\$ 1,273,819		
Expenditures:				
Current -				
General government	\$	\$		
Public safety	210,187	311,569	527,876	(216,307)
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	485,189	680,154	227,135	453,019
Debt service -				
Principal				
Interest and fees				
Total expenditures	695,376	991,723	755,011	236,712
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			243,073	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			(146,794)	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 96,279	

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CDBG
YEAR ENDED JUNE 30, 2016**

	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, 2016**

	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	50,746	50,746		
Total	\$ 50,746	\$ 50,746		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare		21,930	21,928	2
Capital outlay				
Debt service -				
Principal				
Interest and fees				
Total expenditures		21,930	21,928	2
Other financing sources (uses):				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Change in fund balance - budgetary basis			(21,928)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (21,928)	

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DEBT SERVICE FUNDS

The following debt service funds are maintained by the County.

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, 2016**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve
<u>ASSETS</u>			
Cash and cash equivalents	\$ 16,930	\$	\$
Cash and cash equivalents - restricted			1,000,000
Investments		2,699,325	
Receivables		452,388	
Total assets	\$ 16,930	\$ 3,151,713	\$ 1,000,000
Fund balances:			
Restricted	\$ 16,930	\$ 3,151,713	\$ 1,000,000
Total fund balances	16,930	3,151,713	1,000,000
 Total liabilities and fund balances	 \$ 16,930	 \$ 3,151,713	 \$ 1,000,000

Totals

\$ 16,930
1,000,000
2,699,325
452,388
\$ 4,168,643

\$ 4,168,643
4,168,643

\$ 4,168,643

**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, 2016**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve
Revenues:			
Gross receipts taxes	\$	\$ 2,382,803	\$
Total revenues	<u> </u>	<u>2,382,803</u>	<u> </u>
Expenditures:			
Debt service -			
Principal	1,060,000		
Interest and fees	185,790		
Total expenditures	<u>1,245,790</u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	<u>(1,245,790)</u>	<u>2,382,803</u>	<u> </u>
Other financing sources (uses):			
Transfers in	1,200,000		
Transfers out		(2,200,000)	
Total other financing sources (uses):	<u>1,200,000</u>	<u>(2,200,000)</u>	<u> </u>
Changes in fund balances	<u>(45,790)</u>	<u>182,803</u>	<u> </u>
Fund balances, beginning of year	62,720	2,968,910	1,000,000
Fund balances, end of year	<u>\$ 16,930</u>	<u>\$ 3,151,713</u>	<u>\$ 1,000,000</u>

Totals

\$ 2,382,803
2,382,803

1,060,000
185,790
1,245,790

1,137,013

1,200,000
(2,200,000)
(1,000,000)

137,013

4,031,630

\$ 4,168,643

**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, 2016**

	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	62,720	62,720		
Total	\$ 62,720	\$ 62,720		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay				
Debt service -				
Principal	1,060,000	1,060,000	1,060,000	
Interest and fees	185,915	185,915	185,790	125
Total expenditures	1,245,915	1,245,915	1,245,790	125
Other financing sources (uses):				
Transfers in	1,245,915	1,245,915	1,200,000	45,915
Transfers out				
Total other financing sources (uses)	1,245,915	1,245,915	1,200,000	45,915
Change in fund balance - budgetary basis			(45,790)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ (45,790)	

**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, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$	\$
Gasoline and motor vehicle taxes				
Gross receipts taxes	2,539,284	2,539,284	2,323,132	(216,152)
Other taxes				
Charges for services				
Licenses and fees				
Intergovernmental				
Investment income				
Contributions				
Other				
Total revenues	2,539,284	2,539,284	2,323,132	(216,152)
Cash balance carryforward	2,576,193	2,576,193		
Total	\$ 5,115,477	\$ 5,115,477		
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	(3,245,915)	(3,245,915)	(2,200,000)	1,045,915
Total other financing sources (uses)	(3,245,915)	(3,245,915)	(2,200,000)	1,045,915
Change in fund balance - budgetary basis			123,132	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals			59,671	
Unbudgeted expenditure accruals				
Change in fund balance - GAAP basis			\$ 182,803	

**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, 2016**

	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			\$	

CAPITAL PROJECTS FUND

The following capital projects fund is 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)

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUND
JUNE 30, 2016**

	<u>Emergency Capital Outlay</u>
ASSETS	
Cash and cash equivalents	\$ 15,914
Total assets	<u>\$ 15,914</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 4,684
Total liabilities	<u>4,684</u>
Fund balances:	
Committed	11,230
Total fund balances	<u>11,230</u>
Total liabilities and fund balances	<u>\$ 15,914</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016**

	Emergency Capital Outlay
Expenditures:	
Capital outlay	\$ 1,126,675
Total expenditures	1,126,675
Excess (deficiency) of revenues over expenditures	(1,126,675)
Other financing sources (uses):	
Transfers in	1,125,000
Total other financing sources (uses):	1,125,000
Changes in fund balances	(1,675)
Fund balances, beginning of year	12,905
Fund balances, end of year	\$ 11,230

**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, 2016**

	<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				
Total revenues	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash balance carryforward	<u>33,083</u>	<u>33,083</u>		
Total	<u>\$ 33,083</u>	<u>\$ 33,083</u>		
Expenditures:				
Current -				
General government	\$	\$		
Public safety				
Public works				
Culture and recreation				
Health and welfare				
Capital outlay	1,038,400	1,183,400	1,126,675	56,725
Debt service -				
Principal				
Interest and fees				
Total expenditures	<u>1,038,400</u>	<u>1,183,400</u>	<u>1,126,675</u>	<u>56,725</u>
Other financing sources (uses):				
Transfers in	1,250,000	1,275,000	1,125,000	(150,000)
Transfers out				
Total other financing sources (uses)	<u>1,250,000</u>	<u>1,275,000</u>	<u>1,125,000</u>	<u>(150,000)</u>
Change in fund balance - budgetary basis			(1,675)	
Reconciliation to change in fund balance-GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals			<u> </u>	
Change in fund balance - GAAP basis			<u>\$ (1,675)</u>	

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, 2016**

	Original Budget	Final Budget	Non-GAAP Actual	Variance - Positive (Negative)
Operating revenues:				
Sale of supplies	\$	\$	\$ 25,609	\$ 25,609
Charges for services	75,000	75,000	61,074	(13,926)
Total operating revenues	75,000	75,000	86,683	11,683
Cash balance carryforward	202,930	202,930		
Total	\$ 277,930	\$ 277,930		
Operating expenses:				
General and administrative	\$	\$		
Personnel services				
Services	27,520	65,840	62,421	3,419
Supplies	43,000	45,660	43,489	2,171
Maintenance and materials				
Utilities				
Other				
Total operating expenses	70,520	111,500	105,910	5,590
Operating income (loss)			43,194	13,854
Non-operating revenues				
Operating grants				
Interest income				
Interest expense				
Other				
Total non-operating revenues (expenses)				
Change in net position - budgetary basis			(19,227)	
Reconciliation to change in net position - GAAP basis:				
Unbudgeted revenue accruals				
Unbudgeted expenditure accruals				
Services budgeted in other funds				
Change in net position - GAAP basis			\$ (19,227)	

OTHER SUPPLEMENTARY INFORMATION

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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, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>TREASURER'S FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 551,677	\$ 11,001,200	\$ 11,080,519	\$ 472,358
Taxes receivable	<u>1,298,137</u>	<u>22,302,484</u>	<u>22,140,946</u>	<u>1,459,675</u>
Total assets	<u>\$ 1,849,814</u>	<u>\$ 33,303,684</u>	<u>\$ 33,221,465</u>	<u>\$ 1,932,033</u>
<u>Liabilities</u>				
Deposits held for others	\$ 30,199	\$ 65,689	\$ 51,384	\$ 44,504
Due to other taxing entities	<u>1,819,615</u>	<u>33,237,995</u>	<u>33,170,081</u>	<u>1,887,529</u>
Total liabilities	<u>\$ 1,849,814</u>	<u>\$ 33,303,684</u>	<u>\$ 33,221,465</u>	<u>\$ 1,932,033</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2016**

Banking Institution	Account Type	Total Deposits and Investments	Reconciling Items	Reconciled Balance
James Polk Stone Community Bank	Checking	\$ 5,099,063	\$ 60,833	\$ 5,159,896
James Polk Stone Community Bank	Checking	5,181	(207,949)	(202,768)
James Polk Stone Community Bank	Checking	360,828		360,828
James Polk Stone Community Bank	Checking	102,000		102,000
James Polk Stone Community Bank	Checking	28,818		28,818
Insight Investment	FHLB	4,775,209		4,775,209
Insight Investment	FHLMC	6,527,750		6,527,750
Insight Investment	FNMA	11,954,061		11,954,061
Insight Investment	FFCB	8,376,849		8,376,849
Insight Investment	Corporate	19,491,846		19,491,846
Insight Investment	Money Market	60,583		60,583
Insight Investment	Treasury Notes	12,151,848		12,151,848
Insight Investment	Municipal Securities	3,500,000	(3,500,000)	
NM State Investment Pool	State Treasurer LGIP	286,022		286,022
Pioneer Bank	Checking	2,213		2,213
Pioneer Bank	Checking	36,116	6,175	42,291
Washington Federal	Money Market	1,612		1,612
Wells Fargo/Advisors	Checking	100,000		100,000
Wells Fargo/Advisors	Money Market	7,353		7,353
Bank of Albuquerque	NMFA Pooled Debt Service Account	537,420		537,420
		<u>\$ 73,404,772</u>	<u>\$ (3,640,941)</u>	<u>\$ 69,763,831</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2016**

	James Polk Community Bank	Pioneer Bank	Wells Fargo	Insight Investment	Washington Federal	Total
Bank Accounts:						
Checking accounts	\$ 5,595,890	\$ 38,329	\$ 100,000	\$	\$	\$ 5,734,219
Savings accounts			7,353	60,583	1,612	69,548
Total amount of deposits	<u>5,595,890</u>	<u>38,329</u>	<u>107,353</u>	<u>60,583</u>	<u>1,612</u>	<u>5,803,767</u>
Less: FDIC coverage	250,000	38,329	107,353	60,583	1,612	457,877
Total uninsured public funds	<u>5,345,890</u>	<u>38,329</u>	<u>107,353</u>	<u>60,583</u>	<u>1,612</u>	<u>5,345,890</u>
Collateral requirements (Per 6-10-10 & 6-10-17, NMSA 1978):						
50% of uninsured time and demand accounts	2,672,945					2,672,945
Pledged collateral at fair market value:						
<i>Type</i>	<i>Description</i>	<i>Maturity</i>	<i>CUSIP Number</i>			
Note	FHLMC Quarterly Call Step (1)	05/23/2031	3134G9LJ4	1,000,201		1,000,201
Note	FHLMC (1)	05/01/2020	3137EADR7	1,010,243		1,010,243
Bond	Lea Co NM SD #28 BQ (1)	10/01/2016	521570AM3	340,626		340,626
Bond	New Mexico State Military Institute	06/01/2022	647183BL5	553,000		553,000
Bond	Torrance ETC Cntys NM Muni SD (1)	05/15/2017	891400ND1	401,292		401,292
Note	FHLB Cal Quarterly (2)	05/08/2020	3133812C8		105,044	105,044
Note	FHLMC Pool 782804 (2)	11/01/2034	31349UDH8		121,545	121,545
Note	FHLMC Gold PC A94288 (2)	08/20/2061	3620E0NW2		19,129	19,129
Total collateral				<u>3,305,362</u>	<u>226,589</u>	<u>3,551,080</u>
Over / (under) secured	<u>\$ 632,417</u>	<u>\$ 226,589</u>	<u>\$</u>	<u>\$</u>	<u>\$ 19,129</u>	<u>\$ 878,135</u>
Custodial Credit Risk:						
Insured		\$ 250,000	\$ 38,329	\$ 107,353	\$ 60,583	\$ 1,612
Collateralized with securities held by pledging financial institution's trust department		3,305,362				3,305,362
Uninsured and uncollateralized		2,040,528				2,040,528
Total deposits		<u>\$ 5,595,890</u>	<u>\$ 38,329</u>	<u>\$ 107,353</u>	<u>\$ 60,583</u>	<u>\$ 5,803,767</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, 2016**

Property taxes receivable, beginning of year	\$	1,746,816
Changes to Tax Roll:		
Net taxes charged to Treasurer for fiscal year		31,784,408
Adjustments:		
Decreases in taxes receivable		(1,071,801)
Subtraction of 2005 Taxes Outstanding (7-38-81.1.C NMSA 1978)		(6,309)
		32,453,114
Total receivables prior to collections		32,453,114
Collections for fiscal year ended June 30, 2016		(30,502,435)
		1,950,679
Property taxes receivable, end of year	\$	1,950,679
Property taxes receivable as of year end:		
2006	\$	5,287
2007		2,342
2008		4,114
2009		6,878
2010		7,629
2011		18,032
2012		65,771
2013		117,933
2014		489,106
2015		1,233,586
		1,950,679
Total taxes receivable, net	\$	1,950,679

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE
YEAR ENDED JUNE 30, 2016**

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.							
	2006-2014	41,173,343	103,957	41,087,384	103,957	41,087,384	85,960
	2015	4,773,343	4,647,791	4,647,791	4,647,791	4,647,791	125,552
	Total	<u>45,946,687</u>	<u>4,751,748</u>	<u>45,735,175</u>	<u>4,751,748</u>	<u>45,735,175</u>	<u>211,512</u>
County Operational Res.							
	2006-2014	30,957,625	177,969	30,850,527	177,969	30,850,527	107,098
	2015	3,360,046	3,188,941	3,188,941	3,188,941	3,188,941	171,104
	Total	<u>34,317,671</u>	<u>3,366,910</u>	<u>34,039,468</u>	<u>3,366,910</u>	<u>34,039,468</u>	<u>278,202</u>
County Debt Service							
	2006-2014		0				0
	2015		0				0
	Total	<u>0</u>	<u>0</u>	<u>0</u>			<u>0</u>
	Total Chaves County	<u>80,264,357</u>	<u>8,118,658</u>	<u>79,774,643</u>	<u>8,118,658</u>	<u>79,774,643</u>	<u>489,714</u>
State of New Mexico:							
State Debt							
	2006-2014	11,395,614	50,509	11,362,153	50,509	11,362,153	33,461
	2015	1,540,259	1,479,038	1,479,038	1,479,038	1,479,038	61,221
	Total	<u>12,935,873</u>	<u>1,529,547</u>	<u>12,841,191</u>	<u>1,529,547</u>	<u>12,841,191</u>	<u>94,682</u>
Cattle							
	2006-2014	497,199	893	490,584	893	490,584	6,615
	2015	86,697	83,671	83,671	83,671	83,671	3,025
	Total	<u>583,896</u>	<u>84,565</u>	<u>574,255</u>	<u>84,565</u>	<u>574,255</u>	<u>9,641</u>
Horse							
	2006-2014	17,795	96	17,541	96	17,541	254
	2015	1,969	1,812	1,812	1,812	1,812	157
	Total	<u>19,763</u>	<u>1,907</u>	<u>19,353</u>	<u>1,907</u>	<u>19,353</u>	<u>411</u>
Dairy							
	2006-2014	1,317,533		1,317,531		1,317,531	2
	2015	172,284	166,273	166,273	166,273	166,273	6,011
	Total	<u>1,489,817</u>	<u>166,273</u>	<u>1,483,804</u>	<u>166,273</u>	<u>1,483,804</u>	<u>6,013</u>
Sheep and Goats							
	2006-2014	20,671	2	20,671	2	20,671	0
	2015	2,074	2,063	2,063	2,063	2,063	10
	Total	<u>22,744</u>	<u>2,065</u>	<u>22,734</u>	<u>2,065</u>	<u>22,734</u>	<u>10</u>
Bison							
	2006-2014	57		57		57	
	2015	107	107	107	107	107	
	Total	<u>164</u>	<u>107</u>	<u>164</u>	<u>107</u>	<u>164</u>	<u>0</u>
Ratites							
	2006-2014	13		13		13	
	2015	2	2	2	2	2	
	Total	<u>15</u>	<u>2</u>	<u>15</u>	<u>2</u>	<u>15</u>	<u>0</u>
Llamas							
	2006-2014	33		33		33	
	2015	20	18	18	18	18	1
	Total	<u>52</u>	<u>18</u>	<u>51</u>	<u>18</u>	<u>51</u>	<u>1</u>
	Total State of New Mexico	<u>15,052,325</u>	<u>1,784,485</u>	<u>14,941,567</u>	<u>1,784,485</u>	<u>14,941,567</u>	<u>110,757</u>
Municipalities:							
City of Roswell Non-Res.							
	2006-2014	14,366,786	49,831	14,336,475	49,831	14,336,475	30,311
	2015	1,792,349	1,740,588	1,740,588	1,740,588	1,740,588	51,761
	Total	<u>16,159,135</u>	<u>1,790,419</u>	<u>16,077,063</u>	<u>1,790,419</u>	<u>16,077,063</u>	<u>82,072</u>
City of Roswell Res.							
	2006-2014	23,705,606	142,986	23,628,604	142,986	23,628,604	77,002
	2015	3,072,513	2,923,115	2,923,115	2,923,115	2,923,115	149,398
	Total	<u>26,778,119</u>	<u>3,066,101</u>	<u>26,551,719</u>	<u>3,066,101</u>	<u>26,551,719</u>	<u>226,400</u>
City of Roswell Debt Service							
	2006-2014	5,811,068	22,048	5,800,040	22,048	5,800,040	11,029
	2015	366,338	350,987	350,987	350,987	350,987	15,352
	Total	<u>6,177,407</u>	<u>373,035</u>	<u>6,151,026</u>	<u>373,035</u>	<u>6,151,026</u>	<u>26,381</u>
Town of Lake Arthur Non-Res.							
	2006-2014	9,081	22	9,028	22	9,028	53
	2015	1,159	1,128	1,128	1,128	1,128	31
	Total	<u>10,240</u>	<u>1,151</u>	<u>10,156</u>	<u>1,151</u>	<u>10,156</u>	<u>84</u>
Town of Lake Arthur Res.							
	2006-2014	19,198	274	19,082	274	19,082	116
	2015	2,880	2,476	2,476	2,476	2,476	404
	Total	<u>22,078</u>	<u>2,749</u>	<u>21,558</u>	<u>2,749</u>	<u>21,558</u>	<u>520</u>

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.						
2006-2014	30,384	154	30,227	154	30,227	157
2015	4,939	4,749	4,749	4,749	4,749	190
Total	35,322	4,903	34,976	4,903	34,976	347
Town of Hagerman Res.						
2006-2014	56,810	753	56,099	753	56,099	711
2015	7,693	6,392	6,392	6,392	6,392	1,301
Total	64,503	7,145	62,492	7,145	62,492	2,012
Town of Dexter Non-Res.						
2006-2014	39,946	421	39,261	421	39,261	685
2015	6,161	5,726	5,726	5,726	5,726	436
Total	46,108	6,146	44,986	6,146	44,986	1,121
Town of Dexter Res.						
2006-2014	63,935	402	63,602	402	63,602	333
2015	8,761	8,369	8,369	8,369	8,369	393
Total	72,697	8,771	71,971	8,771	71,971	726
Total Municipalities	49,365,609	5,260,419	49,025,946	5,260,419	49,025,946	339,663
School Districts:						
ENMU Non-Res.						
2006-2014	3,886,942	9,992	3,879,096	9,992	3,879,096	7,847
2015	497,735	484,479	484,479	484,479	484,479	13,256
Total	4,384,677	494,471	4,363,574	494,471	4,363,574	21,103
ENMU Res.						
2006-2014	4,167,072	24,104	4,152,778	24,104	4,152,778	14,295
2015	536,390	509,071	509,071	509,071	509,071	27,318
Total	4,703,462	533,175	4,661,849	533,175	4,661,849	41,613
ENMU Debt Service						
2006-2014	10,613,169	38,673	10,587,855	38,673	10,587,855	25,315
2015	0	0	0	0	0	0
Total	10,613,169	38,673	10,587,855	38,673	10,587,855	25,315
NM Jr. College Non-Res.						
2006-2014	6,620	0	6,620	0	6,620	0
2015	3,144	3,144	3,144	3,144	3,144	0
Total	9,764	3,144	9,764	3,144	9,764	0
NM Jr. College Res.						
2006-2014	1,133		1,133	0	1,133	0
2015	133	133	133	133	133	0
Total	1,266	133	1,266	133	1,266	0
Roswell Ind. Schools Non-Res.						
2006-2014	4,277,087	4,513	4,273,624	4,513	4,273,624	3,463
2015	204,515	199,614	199,614	199,614	199,614	4,902
Total	4,481,603	204,127	4,473,238	204,127	4,473,238	8,365
Roswell Ind. Schools Res.						
2006-2014	4,661,121	6,736	4,657,163	6,736	4,657,163	3,957
2015	154,154	146,691	146,691	146,691	146,691	7,463
Total	4,815,274	153,427	4,803,854	153,427	4,803,854	11,420
Roswell Ind. Schools Debt Service						
2006-2014	50,011,064	257,675	49,861,865	257,675	49,861,865	149,199
2015	7,500,289	7,213,537	7,213,537	7,213,537	7,213,537	286,751
Total	57,511,352	7,471,212	57,075,402	7,471,212	57,075,402	435,950
Artesia Public Schools Non-Res.						
2006-2014	27,248		27,025		27,025	223
2015	4,276	4,180	4,180	4,180	4,180	95
Total	31,523	4,180	31,205	4,180	31,205	318
Artesia Public Schools Res.						
2006-2014	6,861		6,763		6,763	98
2015	821	771	771	771	771	51
Total	7,682	771	7,534	771	7,534	148
Artesia Public Schools Debt Service						
2006-2014	495,142	5	490,326	5	490,326	4,817
2015	74,170	71,956	71,956	71,956	71,956	2,214
Total	569,312	71,961	562,281	71,961	562,281	7,031

(Continued)

STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE
YEAR ENDED JUNE 30, 2016
(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.	2006-2014	149,338	96	149,312	96	149,312	27
	2015	9,943	9,902	9,902	9,902	9,902	41
	Total	<u>159,281</u>	<u>9,998</u>	<u>159,214</u>	<u>9,998</u>	<u>159,214</u>	<u>67</u>
Lake Arthur Muni. Schools Res.	2006-2014	25,251	90	25,118	90	25,118	134
	2015	1,105	976	976	976	976	129
	Total	<u>26,356</u>	<u>1,066</u>	<u>26,094</u>	<u>1,066</u>	<u>26,094</u>	<u>263</u>
Lake Arthur Muni. Schools Debt Service	2006-2014	713,636	3,966	710,870	3,966	710,870	2,766
	2015	218,278	214,042	214,042	214,042	214,042	4,236
	Total	<u>931,914</u>	<u>218,008</u>	<u>924,912</u>	<u>218,008</u>	<u>924,912</u>	<u>7,002</u>
Elida Muni. Schools #27 Non-Res.	2006-2014	28,019	24	28,017	24	28,017	2
	2015	1,117	1,115	1,115	1,115	1,115	1
	Total	<u>29,136</u>	<u>1,139</u>	<u>29,132</u>	<u>1,139</u>	<u>29,132</u>	<u>3</u>
Elida Muni. Schools #27 Res.	2006-2014	2,976		2,976		2,976	
	2015	100	100	100	100	100	
	Total	<u>3,077</u>	<u>100</u>	<u>3,077</u>	<u>100</u>	<u>3,077</u>	
Elida Muni. Schools #27 Debt Service.	2006-2014	93,648	96	93,637	96	93,637	10
	2015	5,575	5,570	5,570	5,570	5,570	5
	Total	<u>99,223</u>	<u>5,666</u>	<u>99,207</u>	<u>5,666</u>	<u>99,207</u>	<u>16</u>
Elida Muni. Schools #28 Non-Res.	2006-2014	20,101	1	20,101	1	20,101	1
	2015	932	929	929	929	929	3
	Total	<u>21,033</u>	<u>930</u>	<u>21,029</u>	<u>930</u>	<u>21,029</u>	<u>4</u>
Elida Muni. Schools #28 Res.	2006-2014	3,739		3,739		3,739	0
	2015	111	111	111	111	111	0
	Total	<u>3,851</u>	<u>111</u>	<u>3,850</u>	<u>111</u>	<u>3,850</u>	<u>0</u>
Elida Muni. Schools #28 Debt Service.	2006-2014	71,390	4	71,384	4	71,384	6
	2015	4,784	4,769	4,769	4,769	4,769	15
	Total	<u>76,174</u>	<u>4,773</u>	<u>76,153</u>	<u>4,773</u>	<u>76,153</u>	<u>21</u>
Hagerman Muni. Schools Non-Res.	2006-2014	244,523	140	244,337	140	244,337	186
	2015	10,536	10,281	10,281	10,281	10,281	255
	Total	<u>255,059</u>	<u>10,421</u>	<u>254,619</u>	<u>10,421</u>	<u>254,619</u>	<u>441</u>
Hagerman Muni. Schools Res.	2006-2014	84,553	278	84,307	278	84,307	247
	2015	3,524	3,080	3,080	3,080	3,080	443
	Total	<u>88,077</u>	<u>3,358</u>	<u>87,387</u>	<u>3,358</u>	<u>87,387</u>	<u>690</u>
Hagerman Muni. Schools Debt Service	2006-2014	1,888,232	8,214	1,880,322	8,214	1,880,322	7,910
	2015	235,170	221,325	221,325	221,325	221,325	13,845
	Total	<u>2,123,403</u>	<u>229,539</u>	<u>2,101,647</u>	<u>229,539</u>	<u>2,101,647</u>	<u>21,755</u>
Dexter Cons. Schools Non-Res.	2006-2014	558,821	247	557,699	247	557,699	1,122
	2015	21,786	20,493	20,493	20,493	20,493	1,293
	Total	<u>580,607</u>	<u>20,740</u>	<u>578,192</u>	<u>20,740</u>	<u>578,192</u>	<u>2,415</u>
Dexter Cons. Schools Res.	2003-2011	182,400	265	182,004	265	182,004	395
	2015	4,982	4,646	4,646	4,646	4,646	336
	Total	<u>187,381</u>	<u>4,911</u>	<u>186,650</u>	<u>4,911</u>	<u>186,650</u>	<u>732</u>
Dexter Cons. Schools Debt Service	2006-2014	6,199,113	20,871	6,166,549	20,871	6,166,549	32,564
	2015	869,698	815,747	815,747	815,747	815,747	53,950
	Total	<u>7,068,811</u>	<u>836,618</u>	<u>6,982,296</u>	<u>836,618</u>	<u>6,982,296</u>	<u>86,515</u>
Tatum Muni. Schools Non-Res.	2006-2014	886		886		886	0
	2015	314	314	314	314	314	0
	Total	<u>1,200</u>	<u>314</u>	<u>1,200</u>	<u>314</u>	<u>1,200</u>	<u>0</u>

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Tatum Muni. Schools Res.	2006-2014	297		297		297	0
	2015	9	9	9	9	9	0
	Total	306	9	306	9	306	0
Tatum Muni. Schools Debt Service	2006-2014	7,397		7,397		7,397	
	2015	3,583	3,583	3,583	3,583	3,583	0
	Total	10,980	3,583	10,980	3,583	10,980	0
Total School Districts		98,794,952	10,326,558	98,123,767	10,326,558	98,123,767	671,185
Special Districts:							
Flood Control	2006-2014	10,387,664	50,782	10,359,029	50,782	10,359,029	28,635
	2015	1,359,803	1,299,937	1,299,937	1,299,937	1,299,937	59,867
	Total	11,747,467	1,350,719	11,658,965	1,350,719	11,658,965	88,502
Pecos Valley Conservancy District	2006-2014	14,621,229	110,897	14,548,069	110,897	14,548,069	73,160
	2015	3,452,043	3,293,066	3,293,066	3,293,066	3,293,066	158,977
	Total	18,073,272	3,403,963	17,841,135	3,403,963	17,841,135	232,137
Chaves County S&W Conservancy Non-Res.	2006-2014	716,383	2,407	714,993	2,407	714,993	1,391
	2015	68,981	66,048	66,048	66,048	66,048	2,933
	Total	785,364	68,454	781,040	68,454	781,040	4,324
Chaves County S&W Conservancy Res.	2006-2014	837,027	3,631	835,159	3,631	835,159	1,868
	2015	120,045	114,755	114,755	114,755	114,755	5,291
	Total	957,072	118,386	949,913	118,386	949,913	7,159
Upper Hondo S&W Conservancy Non-Res.	2006-2014	93		93		93	0
	2015	10	10	10	10	10	0
	Total	103	10	103	10	103	0
Upper Hondo S&W Conservancy Res.	2006-2014	5		5		5	0
	2015	0	0	0	0	0	0
	Total	5	0	5	0	5	0
Hagerman-Dexter S&W Conservancy Non-Res.	2006-2014	170,581	398	170,318	398	170,318	263
	2015	19,455	18,239	18,239	18,239	18,239	1,217
	Total	190,037	18,636	188,557	18,636	188,557	1,480
Hagerman-Dexter S&W Conservancy Res.	2006-2014	92,166	415	91,706	415	91,706	460
	2015	13,015	11,964	11,964	11,964	11,964	1,051
	Total	105,181	12,379	103,670	12,379	103,670	1,511
Penasco S&W Conservancy	2006-2014	29,689	1	29,478	1	29,478	211
	2015	4,064	3,913	3,913	3,913	3,913	150
	Total	33,753	3,914	33,391	3,914	33,391	361
Central Valley S&W Conservancy Non-Res.	2006-2014	16,671	26	16,662	26	16,662	9
	2015	1,889	1,854	1,854	1,854	1,854	35
	Total	18,561	1,880	18,516	1,880	18,516	45
Central Valley S&W Conservancy Res.	2006-2014	4,085	52	3,938	52	3,938	147
	2015	516	467	467	467	467	49
	Total	4,601	518	4,405	518	4,405	196
Border S&W Conservancy	2006-2014	1,890		1,890		1,890	0
	2015	0		0		0	0
	Total	1,890		1,890		1,890	0
Cottonwood-Walnut Creek S&W Conservancy	2006-2014	106,671	221	105,985	221	105,985	686
	2015	10,652	10,360	10,360	10,360	10,360	292
	Total	117,323	10,581	116,345	10,581	116,345	978
Predator Control	2006-2014	393,050	215	391,157	215	391,157	1,893
	2015	23,377	22,602	22,602	22,602	22,602	775
	Total	416,427	22,818	413,759	22,818	413,759	2,668
Total Special Districts		32,451,056	5,012,259	32,111,696	5,012,259	32,111,696	339,360
Grand Total		275,928,299	30,502,380	273,977,620	30,502,380	273,977,620	1,950,679

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF EXPENDITURES OF STATE APPROPRIATIONS
YEAR ENDED JUNE 30, 2016**

Appropriation Purpose	Original Appropriation Amount	Appropriation Period	Reversion Date	Legislative Authority	Expenditures To Date	Remaining Balance
Dist 8 Volunteer Fire Dept Parking Lot	\$ 25,000	3/10/2016	6/30/2020	House Bill 219 Ch 81, Sec 22, Par 61	\$ -	\$ 25,000
Sierra Volunteer Fire Station Barrier Fence	30,000	3/10/2016	6/30/2020	House Bill 219 Ch 81, Sec 22, Par 62	-	30,000
Solid Waste Convenience Ctrs Compactors	90,910	3/10/2016	6/30/2020	House Bill 219 Ch 81, Sec 18, Par 4	-	90,910
Hobson Rd Improvements Menominee/US285	167,428	3/10/2016	6/30/2020	House Bill 219 Ch 81, Sec 24, Par 14	-	167,428
Waste Convenience CTR Compactors	30,000	6/17/2015	6/30/2019	Senate Bill 1 Ch 3, Sec 20, Par 6	-	30,000
Courthouse Security Improvements	25,000	6/17/2015	6/30/2019	Senate Bill 1 Ch 3, Sec 28, Par 88	-	25,000
Pecos River & Hagerman Canal Structures	135,000	6/17/2015	6/30/2019	Senate Bill 1 Ch 3, Sec 28, Par 89	-	135,000
Hobson Rd Improvements, Roswell	512,000	6/17/2015	6/30/2019	Senate Bill 1 Ch 3, Sec 33, Par 13	-	512,000
East Grand Plains Volunteer Fire Dept. Tools	120,000	12/30/2014	6/30/2016	House Bill 55 Ch 66, Sec 22, Par 77	120,000	-
Midway Volunteer Fire Dept Vehicles	75,000	12/30/2014	6/30/2016	House Bill 55 Ch 66, Sec 22, Par 78	75,000	-
Hobson Rd Improvements Roswell	200,000	6/24/2014	6/30/2018	House Bill 55 Ch 66, Sec 25, Par 18	77,626	122,374
Compactors	101,000	6/24/2014	6/30/2018	House Bill 55 Ch 66, Sec 16, Par 8	88,716	12,284
Veterans Transportation Vans	199,000	6/24/2014	6/30/2016	House Bill 55 Ch 66, Sec 22, Par 80	197,809	1,191
East Grand Plains Fire Dept. Recharge	100,000	7/23/2013	6/30/2017	Senate Bill 60 Ch 226, Sec 31, Par 62	99,870	130
Midway Fire Dept Tanker Truck	150,000	7/23/2013	6/30/2017	Senate Bill 60 Ch 226, Sec 31, Par 63	149,994	6

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**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016**

<u>Agreement Number</u>	<u>Participants</u>	<u>Parties Responsible for Operations</u>	<u>Description</u>	<u>Beginning and Ending Dates</u>
	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	NM Energy, Minerals and Natural Resources, Chaves	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	Operating, administering and maintaining a joint enhanced 911 Regional Emergency	7/19/05 - indefinite
A-05-045	Chaves County and the Town of Dexter	Chaves County and the Town of Dexter	To provide for protection of life and property by enforcement codes and standards for flood	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

<u>Total Estimated Amount of the Project and Portion Applicable to the Entity</u>	<u>Amount of Agency Contribution in the Current Fiscal Year</u>	<u>Audit Responsibility</u>	<u>Name of Government Agency where Revenues and Expenditures are Reported</u>	<u>Fiscal Agent (if applicable)</u>
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, 2016**

Memorandum Number	County Number	Participants	Parties Responsible for Operations	Description
M-15-001	A-12-021 M-13-003/M-14-004	Chaves County & Summit Food Services, LLC	Summit Food Services, LLC	Renewal of professional services agreement
M-15-002	A-11-013/M-12-003 M-13-023/M14-015	Chaves County & Dr. Jack Graham	Dr Jack Graham	Renewal of building lease agreement
M-15-003	A-12-008 M-13-021/M-14-017	Chaves County & Dr. Wenner	Dr. Wenner	Renewal of building lease agreement
M-15-004	A-12-024 M-13-022/M-14-014	Chaves County & Eye Associates of NM	Eye Associates of NM	Renewal of building lease agreement
M-15-005	A-11-025 M-13-020/M-14-019	Chaves County & Tobosa Development Services	Tobosa Development Services	Renewal of building lease agreement
M-15-006	A-14-022	Chaves County & The Every Fifteen Minutes Program	The Every Fifteen Minutes Program	Renewal of professional services - DWI contract
M-15-007	A-14-023	Chaves County & Dianne Meda	Dianne Meda	Renewal of professional services - DWI contract
M-15-008	A-14-024	Chaves County & Roswell Independent School District	Roswell Independent School District	Renewal of professional services - DWI contract
M-15-009	A-14-025	Chaves County & Dexter Independent School District	Dexter Municipal School District	Renewal of professional services - DWI contract
M-15-010	A-14-026	Chaves County & C.A.S.A.	Court Appointed Special Advocate "C.A.S.A."	Renewal of professional services - DWI contract
M-15-011	A-14-027	Chaves County & Roswell Refuge of Chaves County	Roswell Refuge of Chaves County	Renewal of professional services - DWI contract
M-15-012	A-14-028	Chaves County & Diane Taylor	Diane Taylor	Renewal of professional services - DWI contract
M-15-013	A-14-029	Chaves County & Dexter Municipal School District	Dexter Municipal School District	Renewal of professional services - DWI contract
M-15-014	A-14-030	Chaves County & Hagerman Municipal School District	Hagerman Municipal School District	Renewal of professional services - DWI contract
M-15-015	A-14-031	Chaves County & Lake Arthur Municipal School District	Lake Arthur Municipal School District	Renewal of professional services - DWI contract
M-15-016	N-15-006	Chaves County & Serenity Counseling	Serenity Counseling	Renewal of professional services - DWI contract
M-15-017	A-12-001	Chaves County & American Stewards of Liberty	American Stewards of Liberty	Renewal of professional services agreement
M-15-018	A-14-020	Chaves County & Aspen of New Mexico	Aspen of New Mexico	Renewal of professional services - DWI contract
M-15-019	A-14-019	Chaves County & Roswell Chamber of Commerce	Roswell Chamber of Commerce	Annual budget allocation-non-industrial economic services
M-15-020	N-12-010 M-13-027/M-14-012	Chaves County & Boys & Girls Club of Roswell, Inc.	Boys & Girls Club of Roswell, Inc.	Annual budget allocation-recreation and counseling services
M-15-021	N-13-005 M-14-009	Chaves County & Town of Dexter	Town of Dexter	Annual budget allocation-public safety
M-15-022	A-14-017	Chaves County & Economic Development Corporation	Roswell-Chaves County Economic Development Corporation	Annual budget allocation-economic services
M-15-023	N-13-006 M-14-008	Chaves County & Town of Hagerman	Town of Hagerman	Annual budget allocation-public safety
M-15-024	N-13-007 M-14-010	Chaves County & Town of Lake Arthur	Town of Lake Arthur	Annual budget allocation-public safety
M-15-025	N-12-012 M-13-028/M-14-013	Chaves County & Chaves Soil and Water Conservation District	Chaves Soil and Water Conservation District	Annual budget allocation-Noxious Weed Coordinator
M-15-026	N-12-011 M-13-029/M-14-011	Chaves County & NM Cooperative Extension Service	NM Cooperative Extension Service	Annual budget allocation-agricultural youth fair
M-15-027	A-15-002	Chaves County & Roswell Medical Care	Roswell Medical Care	Renewal of professional services-indigent health care

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)
07/01/15-06/30/16	n/a	n/a	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$1,175/month	\$14,100	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$3,050/month	\$36,600	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$3,100/month	\$37,200	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$17,000/year	\$17,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$10,000.00	\$10,000.00	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$36,000	\$36,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$7,500	\$7,500	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$4,500	\$4,500	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$24,000	\$24,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$30,000	\$30,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$36,000	\$36,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$12,000	\$12,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$12,000	\$12,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$12,000	\$12,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$52,000	\$52,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$20,000/year	\$20,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$24,000	\$24,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$57,500	\$57,500	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$20,000	\$20,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$17,500	\$17,500	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$74,000	\$74,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$17,500	\$17,500	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$17,500	\$17,500	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$10,000	\$10,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$45,000	\$45,000	Chaves County	Chaves County	N/A
07/01/15-06/30/16	\$50,000	\$50,000	Chaves County	Chaves County	N/A

STATE OF NEW MEXICO
 CHAVES COUNTY
 SCHEDULE OF VENDOR INFORMATION
 (For Purchases Exceeding \$60,000 [excluding GRT])
 For the Year Ended June 30, 2016

Prepared by Agency Staff Name: Sandra Rodriguez Title: Purchasing Director Date: 10-19-16

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
EP-16-1	Emergency Procurement	Pirtle Farms LTD	\$47,646.75	N/A	3001 E. McGaffey Roswell, NM 88203	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	Baker Farms	\$38,595.00	N/A	6225 Baker Rd. Roswell, NM 88203	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	Sweatt Construction, Inc	\$25,388.00	N/A	PO Box 827 Artesia NM 88210	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	R Minnix Construction Inc	\$24,886.00	N/A	P O Box 270 Alto, NM 88312	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	South Main Metal Building Supply, Inc.	\$18,060.00	N/A	4800 S. Main Street Roswell, NM 88203	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	B&B Choppers LLC	\$16,987.43	N/A	Drawer 460 Dexter, NM 88230	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	Munson Construction	\$16,690.00	N/A	602 West Argyle Hagerman, NM 88232	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	CWBC Inc.	\$15,795.33	N/A	166 W. Pearson Rd. Lake Arthur, NM 88253	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	El Rancho Services	\$9,984.00	N/A	P O Box 5731 Roswell, NM 88202	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	Morales Backhoe Service	\$6,035.00	N/A	36 Harris Pl. Roswell, NM 88203	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	Bogel Ltd Co.	\$2,682.33	N/A	7331 Cherokee Rd. Dexter, NM 88230	Y	N	Snow Removal Services
EP-16-1	Emergency Procurement	Leonard Farms	\$1,617.85	N/A	5505 Pampas Rd Roswell, NM 88201	Y	N	Snow Removal Services
SS-15-5	Sole Source Procurement	Tyler Technologies	\$131,639.48	N/A	Tyler Technologies, 5519 53rd Street, Lubbock, TX 79414	N	N	Software support, maintenance and upgrades

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.

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 105,759,730	\$ 104,316,888	\$ 93,963,305	\$ 92,643,379	\$ 116,611,132
Restricted	64,183,013	64,172,880	69,146,304	74,179,207	70,373,339
Unrestricted	(6,995,002)	(6,985,709)	13,029,574	8,662,048	15,141,356
Total net position	<u><u>\$ 162,947,741</u></u>	<u><u>\$ 161,504,059</u></u>	<u><u>\$ 176,139,183</u></u>	<u><u>\$ 175,484,634</u></u>	<u><u>\$ 202,125,827</u></u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Position:					
Net investment in capital assets	\$ 151,171,973	\$ 96,045,467	\$ 94,416,903	\$ 93,700,837	\$ 91,734,989
Restricted	70,667,370	71,121,792	67,424,184	79,622,371	63,887,789
Unrestricted	15,677,905	13,292,772	13,045,032	9,483,883	8,850,863
Total net position	<u><u>\$ 237,517,248</u></u>	<u><u>\$ 180,460,031</u></u>	<u><u>\$ 174,886,119</u></u>	<u><u>\$ 182,807,091</u></u>	<u><u>\$ 164,473,641</u></u>

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
General government	\$ 7,847,105	\$ 8,202,300	\$ 8,290,451	\$ 8,179,487	\$ 11,772,859
Public safety	12,986,788	11,802,943	10,996,637	11,524,608	11,515,590
Public works	7,737,892	6,559,759	7,075,627	6,963,017	6,964,010
Culture and recreation	83,037	127,301	133,051	134,673	122,896
Health and welfare	4,362,604	3,873,800	3,181,442	3,551,116	6,333,835
Interest on long-term debt	356,958	339,722	385,090	301,387	307,958
Total governmental activities expenses	<u>33,374,384</u>	<u>30,905,825</u>	<u>30,062,298</u>	<u>30,654,288</u>	<u>37,017,148</u>
Program Revenues					
Charges for services:					
General government	\$ 1,642,378	\$ 1,331,631	\$ 1,389,299	\$ 1,569,190	\$ 1,339,252
Public safety	111,893	113,992	102,098	173,333	169,477
Public works	39,181	96,341	38,676	144,274	84,122
Operating grants and contributions	2,866,897	2,118,192	2,252,093	2,409,845	3,770,794
Capital grants and contributions	1,064,629	2,193,546	933,006	472,944	1,186,305
Total program revenues	<u>5,724,978</u>	<u>5,853,702</u>	<u>4,715,172</u>	<u>4,769,586</u>	<u>6,549,950</u>
Net (Expense)/Revenue	<u>\$ (27,649,406)</u>	<u>\$ (25,052,123)</u>	<u>\$ (25,347,126)</u>	<u>\$ (25,884,702)</u>	<u>\$ (30,467,198)</u>

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
General government	\$ 9,064,603	\$ 6,755,562	\$ 8,483,410	\$ 8,774,195	\$ 7,712,935
Public safety	10,917,930	9,336,016	8,809,184	8,749,934	7,752,293
Public works	4,005,389	9,163,682	6,774,741	5,136,765	6,309,737
Culture and recreation	108,600	102,480	147,500	150,000	150,000
Health and welfare	7,893,800	6,409,068	8,141,069	6,105,937	5,438,715
Interest on long-term debt	341,481	395,601	421,290	737,587	556,795
Total governmental activities expenses	<u>32,331,803</u>	<u>32,162,409</u>	<u>32,777,194</u>	<u>29,654,418</u>	<u>27,920,475</u>
Program Revenues					
Charges for services:					
General government	\$ 1,212,970	\$ 993,731	\$ 915,335	\$ 944,537	\$ 1,184,762
Public safety	7,193		862,746	339,984	441,269
Public works	59,677	903			
Operating grants and contributions	9,103,069	3,358,788	3,071,177	2,919,793	2,384,200
Capital grants and contributions	2,667,906		254,104	101,170	479,062
Total program revenues	<u>13,050,815</u>	<u>4,353,422</u>	<u>5,103,362</u>	<u>4,305,484</u>	<u>4,489,293</u>
Net (Expense)/Revenue	<u>\$ (19,280,988)</u>	<u>\$ (27,808,987)</u>	<u>\$ (27,673,832)</u>	<u>\$ (25,348,934)</u>	<u>\$ (23,431,182)</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (27,649,406)	\$ (25,052,123)	\$ (25,347,126)	\$ (25,884,702)	\$ (30,467,198)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	8,393,175	9,090,957	8,840,619	8,687,211	\$ 8,391,027
Property taxes, levied for capital purposes	1,362,304	1,317,706	1,255,573	1,221,224	1,208,012
Gross receipts taxes	11,865,673	7,935,051	8,052,325	7,410,816	7,576,240
Gasoline and motor vehicle taxes	1,706,243	2,073,656	2,349,996	2,382,243	2,550,998
Other taxes	1,163,063	1,083,664	1,188,656	989,386	894,645
Unrestricted federal aid	3,370,740	2,817,940	3,067,778	2,860,983	2,928,777
Licenses and fees					
Investment income	1,231,890	1,080,615	1,246,728	27,223	1,243,760
Contributions					
Miscellaneous income					
Loss on disposal of capital assets					
Total general revenues	<u>29,093,088</u>	<u>25,399,589</u>	<u>26,001,675</u>	<u>23,579,086</u>	<u>24,793,459</u>
Changes in Net Position	<u>\$ 1,443,682</u>	<u>\$ 347,466</u>	<u>\$ 654,549</u>	<u>\$ (2,305,616)</u>	<u>\$ (5,673,739)</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (19,280,988)	\$ (27,808,987)	\$ (27,673,832)	\$ (25,348,934)	\$ (23,431,182)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	\$ 7,902,236	12,249,508	9,500,977	11,691,274	10,509,083
Property taxes, levied for capital purposes	1,191,958				
Gross receipts taxes	7,424,494	7,852,548	11,082,567	7,394,050	6,540,260
Gasoline and motor vehicle taxes	2,195,484	2,343,430	2,278,360	2,292,070	1,295,644
Other taxes	1,218,259	468,905			
Unrestricted federal aid	2,865,630				
Licenses and fees		912,267			
Investment income	873,486	3,016,728	3,023,617	4,708,033	4,296,196
Contributions		4,609,582			
Miscellaneous income		236,566	7,185,505	5,275,547	4,121,329
Loss on disposal of capital assets		(261,603)	949,259		(577,724)
Total general revenues	<u>23,671,547</u>	<u>31,427,931</u>	<u>34,020,285</u>	<u>31,360,974</u>	<u>26,184,788</u>
Changes in Net Position	<u>\$ 4,390,559</u>	<u>\$ 3,618,944</u>	<u>\$ 6,346,453</u>	<u>\$ 6,012,040</u>	<u>\$ 2,753,606</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nondisposable	\$ 170,101	\$ 155,354	\$ 143,514	\$ 140,735	\$ 146,367
Restricted					
Committed					
Unassigned	5,515,570	8,293,265	13,753,900	13,624,949	15,343,784
Total General Fund	<u>\$ 5,685,671</u>	<u>\$ 8,448,619</u>	<u>\$ 13,897,414</u>	<u>\$ 13,765,684</u>	<u>\$ 15,490,151</u>
All Other Governmental Funds:					
Nondisposable	\$ 50,893,636	\$ 50,997,647	\$ 51,046,536	\$ 51,126,690	\$ 51,237,673
Restricted	14,098,871	14,108,135	16,563,688	21,500,493	16,412,270
Committed	1,317,314	1,642,179	1,476,458	1,562,731	2,632,162
Unassigned	(637,586)	(3,592,252)	(26,554)		
Total all other governmental funds	<u>\$ 65,672,235</u>	<u>\$ 63,155,709</u>	<u>\$ 69,060,128</u>	<u>\$ 74,189,914</u>	<u>\$ 70,282,105</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Restricted	\$ 1,000,000	\$	\$	\$	\$
Unassigned	16,090,847				
Reserved		208,676	811,262		1,090,258
Unreserved		13,617,431	11,483,874	8,690,543	7,187,439
Total General Fund	<u>\$ 17,090,847</u>	<u>\$ 13,826,107</u>	<u>\$ 12,295,136</u>	<u>\$ 8,690,543</u>	<u>\$ 8,277,697</u>
All Other Governmental Funds:					
Nonspendable	\$ 51,330,469	\$	\$	\$	\$
Restricted	14,881,390				
Committed	3,373,014				
Reserved		54,568,283	56,609,051	52,060,517	53,669,324
Unreserved, reported in:					
Special revenue funds		14,712,910	13,283,742	15,766,491	10,748,113
Capital projects funds		1,306,493	701,236	723,008	201,171
Total all other governmental funds	<u>\$ 69,584,873</u>	<u>\$ 70,587,686</u>	<u>\$ 70,594,029</u>	<u>\$ 68,550,016</u>	<u>\$ 64,618,608</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.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:					
Property taxes	\$ 9,730,802	\$ 10,270,397	\$ 10,136,414	\$ 10,059,276	\$ 9,599,477
Gasoline and motor vehicle taxes	1,730,243	2,027,618	2,349,996	2,382,243	2,550,998
Gross receipts taxes	11,865,673	7,935,051	8,052,325	7,410,816	7,576,240
Other taxes	1,163,063	1,151,316	1,121,004	1,059,511	928,987
State grants and contributions	3,675,397	3,942,704	2,986,212	2,635,334	3,085,795
Federal grants and contributions	3,496,864	3,056,140	3,144,345	2,983,987	3,579,053
Charges for services	557,207	413,983	477,078	477,894	449,843
Licenses and fees	525,505	464,447	439,370	509,199	505,024
Investment income (loss)	1,231,890	1,080,615	1,246,728	27,223	1,243,760
Contributions					1,000,000
Other	835,861	788,537	735,401	982,867	859,012
Total revenues	<u>\$ 34,812,505</u>	<u>\$ 31,130,808</u>	<u>\$ 30,688,873</u>	<u>\$ 28,528,350</u>	<u>\$ 31,378,189</u>
Expenditures:					
Current -					
General government	\$ 5,986,719	\$ 6,210,418	\$ 5,701,591	\$ 5,800,146	\$ 5,920,816
Public safety	11,294,155	10,405,168	9,116,461	9,019,160	8,788,680
Public works	5,937,097	5,004,346	4,503,655	5,050,679	5,145,110
Culture and recreation	85,066	137,208	126,378	134,004	123,494
Health and welfare	4,365,628	3,881,935	3,184,580	3,549,717	6,332,563
Capital outlay	5,261,387	15,157,798	11,702,176	6,709,123	4,823,408
Debt service -					
Principal	1,572,412	1,433,924	1,356,028	917,643	864,441
Interest and fees	477,105	435,504	500,393	337,806	343,505
Loan issuance costs		2,003	4,613	35,437	
Total expenditures	<u>\$ 34,979,569</u>	<u>\$ 42,668,304</u>	<u>\$ 36,195,875</u>	<u>\$ 31,553,715</u>	<u>\$ 32,342,017</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (167,064)</u>	<u>\$ (11,537,496)</u>	<u>\$ (5,507,002)</u>	<u>\$ (3,025,365)</u>	<u>\$ (963,828)</u>
Expenditures for capitalized assets	\$ 2,932,874	\$ 13,270,027	\$ 7,960,675	\$ 3,759,776	\$ 1,122,321
Debt service as a percentage of noncapital expenditures	6%	6%	7%	5%	4%

(Continued)

**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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues:					
Property taxes	\$ 9,391,293	\$ 11,974,302	\$ 11,633,903	\$ 14,243,181	\$ 11,686,547
Gasoline and motor vehicle taxes	2,195,484	2,343,430	1,308,242	1,497,750	1,489,586
Gross receipts taxes	7,424,494	7,852,548	9,340,741	3,422,719	4,450,137
Other taxes	1,113,792	468,905			
State grants and contributions	4,137,740	3,248,912			
Federal grants and contributions	4,011,068	109,876			
Intergovernmental			4,892,874	4,974,255	4,181,722
Charges for services	328,652	994,634	81,989	845,877	756,754
Licenses and fees	468,452	912,267	914,169	197,614	143,398
Investment income (loss)	873,486	3,016,728	3,030,523	5,475,558	5,038,346
Contributions	5,000,000	4,609,582			
Other	1,970,533	295,916	6,973,049	5,975,768	4,171,229
Total revenues	<u>\$ 36,914,994</u>	<u>\$ 35,827,100</u>	<u>\$ 38,175,490</u>	<u>\$ 36,632,722</u>	<u>\$ 31,917,719</u>
Expenditures:					
Current -					
General government	\$ 6,691,393	\$ 5,801,344	\$ 7,022,429	\$ 7,143,303	\$ 6,664,284
Public safety	9,209,946	8,997,982	8,309,072	8,026,198	7,335,460
Public works	5,079,694	7,741,362	6,511,216	4,845,733	6,124,733
Culture and recreation	108,798	102,480	147,500	150,000	150,000
Health and welfare	7,893,914	6,408,651	8,095,521	6,056,172	5,407,874
Capital outlay	4,440,825	4,361,690	2,925,396	2,767,689	2,186,042
Debt service -					
Principal	837,895	540,098		11,855,000	1,380,000
Interest and fees	379,082	393,887	490,553	817,150	587,576
Loan issuance costs					
Total expenditures	<u>\$ 34,641,547</u>	<u>\$ 34,347,494</u>	<u>\$ 33,501,687</u>	<u>\$ 41,661,245</u>	<u>\$ 29,835,969</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,273,447</u>	<u>\$ 1,479,606</u>	<u>\$ 4,673,803</u>	<u>\$ (5,028,523)</u>	<u>\$ 2,081,750</u>
Expenditures for capitalized assets	\$ 5,031,921	\$ 4,361,690	\$ 2,925,396	\$ 2,767,689	\$ 2,186,042
Debt service as a percentage of noncapital expenditures	4%	3%	2%	33%	7%

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ (167,064)	\$ (11,537,496)	\$ (5,507,002)	\$ (3,025,365)	\$ (963,828)
Other financing sources (uses):					
Loan proceeds		267,003	619,613	4,725,000	
Premium on loan issuance				783,083	
Transfers in	7,675,000	12,165,550	5,302,282	5,963,800	5,900,000
Transfers out	(7,675,000)	(12,165,550)	(5,302,282)	(5,963,800)	(5,900,000)
Total other financing sources (uses)	<u>-</u>	<u>267,003</u>	<u>619,613</u>	<u>5,508,083</u>	<u>-</u>
Changes in fund balances	<u>\$ (167,064)</u>	<u>\$ (11,270,493)</u>	<u>\$ (4,887,389)</u>	<u>\$ 2,482,718</u>	<u>\$ (963,828)</u>
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ 2,273,447	\$ 1,479,606	\$ 4,673,803	\$ (5,028,523)	\$ 2,081,750
Other financing sources (uses):					
Operating transfers in (out)					20,221
Other					(689,101)
Bond issuance costs				(213,018)	
Bond proceeds				10,000,000	
Premium on bond issuance				205,446	
Loan proceeds	126,785				
Gain/(Loss) on investments			949,259	(673,636)	
Sale of property			25,545		
Proceeds from sale of assets		54,442			
Transfers in	8,047,300	9,646,288			
Transfers out	(8,047,300)	(9,671,288)			
Total other financing sources (uses)	<u>126,785</u>	<u>29,442</u>	<u>974,804</u>	<u>9,318,792</u>	<u>-</u>
Changes in fund balances	<u>\$ 2,400,232</u>	<u>\$ 1,509,048</u>	<u>\$ 5,648,607</u>	<u>\$ 4,290,269</u>	<u>\$ 2,081,750</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									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Utilities	\$ 783,810	\$ 517,005	\$ 499,272	\$ 444,333	\$ 439,997	\$ 427,008	\$ 407,935	\$ 461,304	\$ 438,634	\$ 381,624
Construction	1,356,531	838,233	984,104	780,926	850,754	694,846	746,004	849,346	927,557	941,499
Manufacturing	143,843	90,193	76,932	78,320	78,050	91,188	76,164	80,496	92,011	97,041
Wholesale trade	343,247	186,356	158,411	140,321	149,607	128,401	120,721	131,156	142,548	147,323
Retail trade	2,945,321	2,087,213	1,909,143	1,870,302	1,808,937	2,023,897	1,958,243	1,852,579	1,914,671	1,674,586
Information and cultural industries	491,195	291,860	305,540	321,689	319,725	419,209	344,836	336,263	292,893	133,329
Real estate, rental and leasing	131,533	88,008	70,487	79,701	81,040	85,282	50,589	65,276	64,578	56,290
Professional, scientific and technical	620,813	454,361	364,118	332,563	319,467	332,507	264,682	294,300	287,108	322,915
Healthcare and social assistance	694,463	379,225	331,900	262,296	349,011	391,138	415,269	470,417	391,163	276,198
Accommodation and food services	944,354	548,912	500,175	462,986	416,113	391,266	381,629	401,523	382,175	338,128
Other services (except public admin.)	476,127	831,449	911,234	946,527	872,213	813,845	876,555	1,099,305	1,324,382	1,167,604
Unclassified establishments	62,911	40,351	52,745	17,344	4,350	5,373		2	117,234	49,075
State food distribution	339,758	359,053	467,162	495,962	526,429	469,118	403,627	411,217	485,879	285,864
State medical distribution	600,148	88,002	111,102	93,005	106,059	80,475	79,919	78,645	78,242	66,998
Other business activity	1,253,211	414,692	463,036	486,739	470,189	548,260	449,409	555,607	405,412	453,634
Total	\$ 11,187,268	\$ 7,214,912	\$ 7,205,360	\$ 6,813,013	\$ 6,791,942	\$ 6,901,816	\$ 6,575,582	\$ 7,087,434	\$ 7,344,487	\$ 6,392,110

- 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
- 3) Increase of 3/8ths to the County's Gross Receipt Tax Rate implemented July 2015

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
2016	\$ 9,730,802	\$11,865,673	\$ 895,352	\$ 366,570	\$ 468,321	\$ 1,163,063	\$ 24,489,781
2015	10,270,397	7,935,051	698,136	358,841	970,641	1,151,316	21,384,382
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

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 Entitiy	Location Code	Fiscal Year Ended June 30									
		2016		2015		2014		2013		2012	
		Jan-Jun 2016	Jul-Dec 2016	Jan-Jun 2015	Jul-Dec 2015	Jul-Dec 2013	Jan-Jun 2014	Jul-Dec 2012	Jan-Jun 2013	Jul-Dec 2011	Jan-Jun 2012
Dexter	04-201	7.3125%	7.3125%	6.9375%	7.3125%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%
Hagerman	04-300	7.5000%	7.5000%	7.1250%	7.5000%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%
Lake Arthur	04-400	6.8125%	6.8125%	6.4375%	6.8125%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%
Roswell	04-101	7.5000%	7.5000%	7.1250%	7.5000%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%
Remainder of County	04-004	6.4375%	6.4375%	6.0625%	6.4375%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%

Governmental Entitiy	Location Code	Fiscal Year Ended June 30									
		2011		2010		2009		2008		2007	
		Jul-Dec 2010	Jan-Jun 2011	Jul-Dec 2009	Jan-Jun 2010	Jul-Dec 2008	Jan-Jun 2009	Jul-Dec 2007	Jan-Jun 2008	July-Dec 2006	Jan-Jun 2007
Dexter	04-201	6.9375%	6.9375%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%
Hagerman	04-300	7.1250%	7.1250%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%
Lake Arthur	04-400	6.4375%	6.4375%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%
Roswell	04-101	7.1250%	7.1250%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%
Remainder of County	04-004	6.0625%	6.0625%	5.9375%	5.9375%	5.9375%	5.9375%	5.9375%	5.9375%	5.9375%	5.9375%

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
2016	2015	\$ 8,133,389	\$ 7,836,733	96.35 %	\$ N/A	\$ 7,836,733	96.35 %
2015	2014	8,870,518	8,570,453	96.62	175,067	8,745,520	98.59
2014	2013	8,590,336	8,304,022	96.67	253,545	8,557,567	99.62
2013	2012	8,355,975	8,059,708	96.45	274,652	8,334,360	99.74
2012	2011	8,174,196	7,859,291	96.15	309,416	8,168,707	99.93
2011	2010	8,037,280	7,707,147	95.89	327,758	8,034,905	99.97
2010	2009	7,948,922	7,532,285	94.76	414,388	7,946,673	99.97
2009	2008	8,070,632	7,022,553	87.01	1,046,794	8,069,347	99.98
2008	2007	7,231,614	6,362,168	87.98	868,756	7,230,924	99.99
2007	2006	6,851,467	5,831,943	85.12	1,017,965	6,849,908	99.98

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.
 - 3) Taxes Levied for the Fiscal Year" updated to reflect all Tax roll corrections for the full reported periods.

**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>
2015	\$ 145,883,611	\$ 795,211,992	\$ 38,476,661	\$ 22,611,107	\$ 175,845,575	\$ 48,697,044	\$ (94,717,340)	\$ 1,132,008,650	\$ 3,396,025,950
2014	145,882,357	795,197,826	38,471,478	22,611,107	175,845,575	48,696,209	(94,794,780)	1,131,909,772	3,395,729,316
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

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													
		State of New Mexico	Chaves County	Municipalities					School Districts						Special District		
				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	Elida School District	Tatum School District	NMJC College	SWCD
2015	Residential	1.3600	5.4330	7.2950	1.7630	1.1550	2.0590	7.8480	12.1910	7.4240	9.5440	0.8710	7.2780	2.4210	5.5340	3.6280	1.0000
	Non-Residential	1.3600	9.2850	8.1820	2.1560	2.1850	2.0660	8.1360	12.3190	7.6290	9.7020	0.9950	7.5000	2.4380	5.8890	5.0000	1.0000
2014	Residential	1.3600	6.5260	7.3980	1.7820	1.1770	2.0700	7.8780	12.2220	7.3960	9.5730	1.9190	7.3280	2.3960	5.4310	3.7290	1.0000
	Non-Residential	1.3600	10.3500	8.1900	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
2013	Residential	7.3980	1.3600	6.5260	1.7820	1.1770	2.0700	7.8790	12.2210	7.3960	9.5730	1.9190	7.3280	2.3950	5.4310	3.7290	1.0000
	Non-Residential	8.1900	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	8.1500	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	8.8720	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	8.3180	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	8.9220	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	8.1600	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	8.9350	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	8.2530	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	8.9850	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	8.4760	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	8.9580	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	8.4910	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	8.5500	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	7.2500	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	7.4660	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

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

Taxpayer	2016			2007		
	Primary Assessed Valuation	Percentage of County's Net Assessed Valuation	%	Primary Assessed Valuation	Percentage of County's Net Assessed Valuation	%
S W P S	\$ 36,441,232	3.22	%	\$ 15,150,996	1.91	%
Mid America Pipeline Company	30,117,906	2.66		6,882,537	0.87	
Burlington Northern The & ; Santa Fe Railway Co	26,524,904	2.34		11,128,225	1.40	
Transwestern Pipeline Co ; Property Tax Department	23,746,612	2.10		15,628,118	1.97	
Roswell Hospital Corporation	12,785,872	1.13		1,342,322	0.17	
Central Valley Electric	10,872,377	0.96		5,825,881	0.73	
Agave Energy Company ; C/O Industrial Valuation Service	10,417,440	0.92		8,019,135	1.01	
Cortez Pipeline Company	9,049,655	0.80		3,781,868	0.48	
El Paso Natural Gas Co	8,284,844	0.73		9,196,305	1.16	
Three Amigos Dairy	6,007,712	0.53		2,355,797	0.30	
Pioneer Bank	4,937,134	0.44		2,213,378	0.28	
Gas Company of NM	4,608,803	0.41		2,838,442	0.36	
Ashley, Karns, Baker Properties, Ltd	4,545,588	0.40		4,092,948	0.51	
Qwest Corporation	4,493,705	0.40		7,779,837	0.98	
Wal-Mart Stores East LP	4,241,608	0.37		3,630,933	0.46	
Centurion Pipeline, LP	3,358,560	0.30		-	0.00	
HCRI Roswell III Medical Facility	3,266,850	0.29		158,882	0.02	
HCRI Roswell II Medical Facility,LLC	2,985,093	0.26		176,331	0.02	
Sam's East, Inc.	2,832,834	0.25		2,945,123	0.37	
Select Milk Producers	1,163,154	0.10		4,091,797	0.51	
Total	\$ 210,681,883	18.61	%	\$ 107,238,855	13.49	%
County's Total Assessed Valuation	\$ 1,132,008,650			\$ 795,054,191		

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	
2016		5,279,821	\$ 4,203,131	\$ 9,482,952	\$ 1,132,008,650	0.84 %	n/a %	65,764	144.20
2015		5,870,541	5,286,113	11,156,654	1,131,909,772	0.99	0.48	65,878	169.35
2014		6,160,770	6,264,095	12,424,865	1,067,027,428	1.16	0.64	66,041	188.14
2013		6,085,547	7,172,077	13,257,624	1,026,598,778	1.29	0.62	65,823	201.41
2012		625,693	7,895,000	8,520,693	989,385,547	0.86	0.40	65,784	129.53
2011		675,134	8,710,000	9,385,134	979,844,943	0.96	0.48	65,890	142.44
2010		596,154	9,500,000	10,096,154	967,820,752	1.04	0.56	65,778	153.49
2009		474,056	10,000,000	10,474,056	927,563,973	1.13	0.52	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	397,911		12,252,911	795,054,191	1.54	0.72	62,429	196.27

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									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 45,280,346	\$ 45,276,391	\$ 42,681,097	\$ 41,063,951	\$ 39,575,422	\$ 39,193,798	\$ 38,712,830	\$ 37,102,559	\$ 34,743,362	\$ 31,802,168
Total Net Debt Applicable to Limit										11,855,000
Legal Debt Margin	<u>\$ 45,280,346</u>	<u>\$ 45,276,391</u>	<u>\$ 42,681,097</u>	<u>\$ 41,063,951</u>	<u>\$ 39,575,422</u>	<u>\$ 39,193,798</u>	<u>\$ 38,712,830</u>	<u>\$ 37,102,559</u>	<u>\$ 34,743,362</u>	<u>\$ 19,947,168</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0%	0%	37%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value	\$ 1,132,008,650
Debt Limit (4% of total assessed value)	45,280,346
Debt Applicable to Limit:	<u> </u>
Legal Debt Margin	<u>\$ 45,280,346</u>

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	
2016	\$ 2,323,132	\$ 1,060,000	\$ 185,415	\$ 1,245,415	187%
2015	2,488,215	955,000	224,336	1,179,336	211%
2014	2,456,373	885,000	259,535	1,144,535	215%
2013	2,300,360	860,000	292,475	1,152,475	200%
2012	2,312,998	815,000	323,678	1,138,678	203%
2011	2,295,575	790,000	353,183	1,143,183	201%
2010	2,229,378	500,000	376,590	876,590	254%
2009	2,388,329		489,485	489,485	488%
2008	2,404,010				n/a
2007	2,157,774	425,000	585,494	1,010,494	214%

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, 2016**

<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	\$ 9,482,952	100.00%	\$ 9,482,952
OVERLAPPING DEBT:			
State of New Mexico	1,367,357,170	2%	\$ 27,347,143
Municipalities:			
City of Roswell	21,015,000	100.00%	\$ 21,015,000
Town of Dexter	14,056	100.00%	14,056
Town of Hagerman	646,377	100.00%	646,377
Town of Lake Arthur		100.00%	
School Districts:			
Roswell Independent School Dist.	50,150,778	100.00%	\$ 50,150,778
Dexter Schools	4,039,771	100.00%	4,039,771
Hagerman Schools	788,201	100.00%	788,201
Lake Arthur Schools	4,640,000	100.00%	4,640,000
Eastern NM University Roswell	125,000	100.00%	125,000
	Subtotal, Overlapping Debt		\$ 108,766,326
	Total Direct and Overlapping Debt		\$ 118,249,278

Ratios:

Ratio of Total Direct & Overlapping Debt to 2015 Assessed Valuation: 10.45%

Ratio of Chaves County's Outstanding General Obligation Debt to 2015 Estimated Actual Valuation 3.48%

Per Capita Direct & Overlapping Debt \$ 1,794.97

Net Taxable
Valuation: \$ 1,132,008,650

Total Estimated Actual Valuation: 3,396,025,950

Total Population - Estimated 65,764

Note: Percentage applicable to Chaves County is derived by taking the Valuation for the Entity within Chaves County divided by the total valuation of the entity for all counties it is a portion of

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>
2016	65,764	n/a	n/a	6.20%	931	614	10,261
2015	65,878	2,330	35,377	6.00%	913	645	11,993
2014	65,823	2,116	32,147	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

Sources: The source of the "Population" and "Unemployment Rate" information is: U.S. Census Bureau, Census of Population. All other data was obtained from the State of New Mexico
Births and Deaths sources: New Mexico Health Department
Per Capita Income and Personal Income number for 2014 has not yet been published. Other data received from Bureau of Economic Analysis
School Enrollment was obtained through NM Public Education Department

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

<u>Employer</u>	<u>Industry</u>	<u>2016</u>				<u>2007</u>			
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	
Roswell Independent School District	Education	825	1	3.27	%	750	1	2.90	%
Leprino Foods	Manufacturing	600	2	2.38		450	4	1.74	
Eastern New Mexico Medical Center	Health Care	590	3	2.34		650	2	2.52	
City of Roswell	Government	538	4	2.13		500	3	1.94	
New Mexico Military Institute	Education/Gov.	330	6	1.31		278	6	1.08	
Community Healthcare	Eduction	287	5	1.14					
Chaves County	Government	265	7	1.05		265	7	1.03	
Krumland Auto Group	Commercial/Retail	253	8	1.00					
Eastern NM University - Roswell	Education	240	9	0.95		280	5	1.08	
Lovelace Regional Medical Center	Health Care	240	10	0.95					
Tobosa Development	Health Care	208	11	0.82					
Dean Baldwin Painting	Aviation	205	12	0.81		120	16	0.46	
Wal-Mart Super Center	Commercial/Retail	200	14	0.79		256	8	0.99	
AerSale	Aviation	200	13	0.79					
Pionner Bank	Financial	187	15	0.74					
Christmas by Krebs	Manufacturing	170	16	0.67		150	14	0.58	
Albertson's	Commercial/Retail	140	17	0.55					
Sam's Club	Commercial/Retail	139	18	0.55					
Roswell Regional Hospital	Health Care					255	9	0.99	
AAR Aircraft Services	Aircraft Servicing					150	13	0.58	
Impact Confections	Manufacturing					238	10	0.92	
United Drilling	Oil and Gas					166	12	0.64	
Mission Arch Care	Health Care					120	17	0.46	
Bell Gas Co	Oil and Gas					110	18	0.43	
Armstrong Contruccion	Construction					180	11	0.70	
Casa Maria Health Care Center	Health Care					120	15	0.46	
Total		<u>5,617</u>		<u>18.98</u>	%	<u>5,038</u>		<u>16.61</u>	%
Total employment		<u>25,241</u>				<u>25,820</u>			

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

**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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	1	1	2	2	2
Human Resources	3	2	1	1	1
Safety	0	1	0	0	0
Fire & Emergency	1	0	0	1	1
General Services					
Public Works	2	4	3	3	3
Information Technology	3	3	3	3	3
Data Processing	0	0	0	0	0
Planning & Zoning	4	4	4	4	4
Purchasing	2	2	2	2	2
Finance					
Finance Admin	4	4	4	4	4
Community Development	2	2	3	2	3
Hospital Indigent Claims	2	2	2	2	4
Detention Facilities					
Detention Administration	10	10	10	8	8
Adult Detention	67	64	58	59	57
Juvenile CCJD	17	18	17	18	17
Facility Maintenance					
Facility Maintenance	8	9	9	10	11
Courthouse Maintenance	3	3	3	3	3
Record & Filing (Clerk)					
Clerk Administration	5	5	5	6	4
Clerk Bureau Election	4	3	3	3	4
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	7	7	7	7	6
Re-Appraisal Dept.	5	5	3	4	4
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	11	11	10	11	12
Sheriff Patroll & Investigations	30	29	29	32	30
Court Security	7	6	6	6	7
Road Administration	3	3	4	4	3
Road Shop	6	7	7	6	7
Road Construction & Maintenance	34	31	33	30	30
Other Funds/Departments					
DWI	3	2	2	2	2
Flood Control	11	10	9	9	9
Court Services	2	4	3	4	5
Total	<u>268</u>	<u>263</u>	<u>253</u>	<u>257</u>	<u>257</u>

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

(Continued)

**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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</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	1	1
Fire & Emergency	1	1	1	1	1
General Services					
Public Works	2	2	2	2	2
Information Technology	3	3	2	1	2
Data Processing	1	1	2	4	2
Planning & Zoning	3	4	2	4	4
Purchasing	2	1	1	1	1
Finance					
Finance	4	5	5	5	4
Community Development	3	3	3	2	2
Hospital Indigent Claims	4	4	4	4	3
Detention Facilities					
Detention Administration	8	6	9	11	10
Adult Detention	49	50	49	47	47
Juvenile CCJD	19	18	16	16	15
Facility Maintenance					
Facility Maintenance	12	10	9	12	11
Courthouse Maintenance	3	3	2	2	3
Record & Filing (Clerk)					
Clerk Administration	5	5	5	5	8
Clerk Bureau Election	4	4	4	4	3
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	7	7	7	6	7
Re-Appraisal Dept.	5	5	5	5	4
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	12	12	11	14	14
Sheriff Patroll & Investigations	30	34	30	33	35
Court Security	7	6	8	6	10
Road Administration	3	4	4	4	4
Road Shop	7	6	7	7	7
Road Construction & Maintenance	34	34	33	33	38
Other Funds/Departments					
DWI	2	2	2	2	2
Flood Control	9	9	8	9	10
Court Services	7	7	6	0	1
Total	<u>260</u>	<u>260</u>	<u>251</u>	<u>255</u>	<u>265</u>

(Concluded)

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

Fiscal Year Ended June 30

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Gov't										
Buildings	2	2	2	2	2	2	2	2	2	2
Buildling Sites	24	26	24	24	24	23	23	23	21	21
Right of Way	3	3	3	3	3	3	3	3	3	3
Recreation	10	10	10	10	10	10	10	10	10	10
Admin										
Parking	4	4	4	4	4	4	4	3	3	3
Vehicles	142	134	140	128	118	109	101	93	81	70
Equipment	30	30	33	33	30	30	29	25	20	17
Other	112	137	183	178	174	170	167	165	157	121
Clerk Recording & Filing										
Vehicles	1	1	1	1	1	1	1	1	1	1
Equipment	4	4	4	1	1	1	1	1	1	1
Other	2	2	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	1	1							
Other	3	2	2	2	1	1	1	1	1	1
Fire Departments										
Stations	15	14	14	14	14	14	14	14	14	14
Vehicles	45	44	43	40	38	36	34	30	29	26
Pumpers	22	22	20	19	18	18	17	15	14	13
Tankers	13	13	12	11	9	8	8	7	7	7
Equipment	6	6	6	6	6	6	5	5	5	5
Other	29	27	14	11	9	9	8	6	6	5

(Continued)

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

<u>Function/Program</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Flood Department										
Vehicles	35	34	33	31	29	28	26	22	12	16
Other	5	4	4	4	4	4	4	4	4	4
Law Enforcement										
Other	2	2	2	2	2	2	2	2	1	1
Other Grants & Contract										
Vehicles	3	3	3	3	3	3	1	1	1	1
Equipment	1	1	1							
Other	3	3	3	1	1	1	1	1	1	1
Property Valuation										
Vehicles	5	5	5	5	5	5	5	5	5	5
Road Dept.										
Buildings	4	4	4	4	4	4	4	4	4	4
Bridges	22	22	22	22	22	22	22	22	22	21
Vehicles	135	141	132	125	121	118	116	112	100	92
Equipment	1	5	1	1	1	1	1	1	1	1
Other	23	3	15	13	10	10	10	9	7	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,									
	2106	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Works (4)										
Street Resurfacing (miles) (1)	81	64	69	41	43	62	54	69	57	49
Traffic Sign (2)	449	2,903	772	1,135	1,023	1,454	1,915	1,508	1,632	1,710
Streets (miles)	1,409	1,407	1,407	1,413	1,419	1,426	1,418	1,441	1,448	1,454
Streetlights (3)	33	33	33	33	33	33	33	33	33	33
Law Enforcement										
Traffic Citations	2,095	1,598	934	1,162	1,078	1,184	1,529	1,580	1,701	993
911 Calls Answered (5) (6)	58,912	86,555	79,261	76,595	75,843	74,665	71,737	70,564	N/A	N/A
Zoning, Building, and Planning										
Residential Building Permits	18	11	12	14	29	11	9	33	44	36
Commercial Building Permits	5	2	4	2	3	4	0	1	3	1
Detention Center										
Total Bookings	4,668	4,754	4,543	4,705	4,674	4,879	4,311	4,287	3,717	4,448
Fire Departments										
Number of Calls Answered	313	311	407	303	548	331	441	438	380	263

Source: Various County departments.

- Notes:**
1. Miles of chip sealed roads. Chaves County does not have any streets.
 2. This is the number of signs repaired or replaced annually. Year 2014 includes 2724 signs on hand.
 3. This is the total certified mileage for Chaves County and includes, paved roads, chip sealed roads and dirt/gravel roads.
 4. Only the Road Department reports their information by fiscal year(June 30th). The rest of the departments are on calendar year.
 5. Years Prior to 2008, data not available due to software conversion and old data irretrievable
 6. Data exclude scalls made for traffic stops and alarms

**REPORT ON INTERNAL CONTROL
AND ON COMPLIANCE**

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**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Mr. Tim Keller
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, 2016, 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 October 28, 2016. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 72.

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.
Tucson, Arizona
October 28, 2016

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2016**

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None

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, 2016**

An exit conference was conducted on October 28, 2016, in a closed meeting, in which the contents of this report were discussed with the following.

Chaves County

Robert Corn, Chairman, County Commissioner
William E. Cavin, County Commissioner
Stanton L. Riggs, County Manager
Charlotte Andrade, Deputy County Treasurer
Ron Lethgo, Deputy County Assessor
William B. Williams, Public Service Director,
Joe Sedillo, Finance Director
Anabel Barraza, Assistant Finance Director

Heinfeld, Meech & Co.

Jim Rebenar, Audit Manager