

Chaves County

New Mexico



*Chaves County Courthouse
400 N. Virginia Ave*



*Chaves County Veteran Memorial
Displayed in front of Courthouse*

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

#1 St. Mary's Place

Roswell, NM 88203

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
CHAVES COUNTY
TABLE OF CONTENTS
JUNE 30, 2017**

	Page
INTRODUCTORY SECTION	
Table of Contents	i
Letter of Transmittal	1
GFOA Certificate	5
Organizational Chart	6
List of Principal Officials	7
FINANCIAL SECTION	
Independent Auditor's Report	8
Management's Discussion and Analysis (Unaudited)	11
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	22
Statement of Activities	23
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
General Fund	30
Road Fund	31
Indigent Hospital Claims Fund	32
Statement of Net Position - Proprietary Funds	33
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Statement of Fiduciary Assets and Liabilities – Agency Funds	36
Notes to Financial Statements	37
REQUIRED SUPPLEMENTARY INFORMATION	
Infrastructure Assets Reported Using the Modified Approach	63
Schedule of the County's Proportionate Share of the Net Pension Liability	65
Schedule of the County's Contributions	66
Notes to Required Supplementary Information	67

**STATE OF NEW MEXICO
CHAVES COUNTY
TABLE OF CONTENTS
JUNE 30, 2017**

	Page
SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	69
Nonmajor Special Revenue Governmental Funds:	
Special Revenue Funds Descriptions	70
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	79
Nonmajor Debt Service Governmental Funds:	
Debt Service Funds Descriptions	86
Combining Balance Sheet	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Nonmajor Capital Projects Governmental Fund:	
Capital Projects Fund Description	89
Balance Sheet	90
Statement of Revenues, Expenditures and Changes in Fund Balances	91
OTHER SUPPLEMENTARY INFORMATION	
Agency Funds Description	92
Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds	93
Schedule of Deposit and Investment Accounts	94
Schedule of Collateral Pledged	95
Tax Roll Reconciliation of Changes in the County Treasurer’s Property Tax Receivable	96
Property Tax Schedule	97
Schedule of Expenditures of State Appropriations	102
Schedule of Joint Powers Agreements	103
STATISTICAL SECTION	
Statistical Section Descriptions	105
Financial Trends:	
Net Position by Component	106
Expenses, Program Revenues and Net (Expense)/Revenue	107
General Revenues and Total Changes in Net Position	109
Fund Balances – Governmental Funds	111
Governmental Funds Revenues, Expenditures and Debt Service Ratio	113
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds	115

**STATE OF NEW MEXICO
CHAVES COUNTY
TABLE OF CONTENTS
JUNE 30, 2017**

	Page
STATISTICAL SECTION (CONTINUED)	
Revenue Capacity:	
Gross Receipt Tax Revenue by Source	116
General Government Tax Revenues by Source	117
Gross Receipts Tax Rates	118
Property Tax Levies and Collections	119
Assessed Value and Estimated Actual Value of Taxable Property by Class	120
Property Tax Rates (MIL Rates) – Direct and Overlapping	121
Principal Property Taxpayers	122
Debt Capacity:	
Outstanding Debt by Type	123
Legal Debt Margin Information	124
Pledged Revenue Coverage	125
Direct and Overlapping Governmental Activities Debt	126
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	127
Principal Employers	128
Operating Information:	
Full-Time-Equivalent Employees by County Department/Division or Elected Office	129
Capital Assets Information	131
Operating Indicators by Function/Program	133
 COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	134
Summary Schedule of Prior Audit Findings	136
Schedule of Findings and Responses	137
Schedule of Section 12-6-5 NMSA Audit Findings	138
Exit Conference	140

**FINANCE
DEPARTMENT**

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



COMMISSIONERS

James W. Duffey - District 1
T Calder Ezzell Jr. - District 2
Jeff Bilberry – District 3
Robert Corn - District 4
William E. Cavin – District 5

County Manager
Stanton L. Riggs

**Chief Financial
Officer**
Joe Sedillo

November 29, 2017

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, 2017. 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 Jaramillo Accounting Group, LLC (JAG), 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 6,075 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 2017 population are 65,282. The County's population has increased by 7.01% between 2007 and 2017. 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 three years have seen slow growth in our property valuations. Residential properties have increased in value at an average rate of 3.14% per year over the past 3 years. 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 adjusted to current and correct. Nonresidential properties, which are not capped, increased in value an average of 3.55% per year over the past three years. We don't see anything in the near future that would cause those values to move significantly higher than at their slow 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 activity indicates a slow but steady recovery of about 2% in FY 2017. The retail, food accommodation, construction, and utility activities reflect that increase. Oil and gas have contributed substantially in the region with job producing indices.

Oil and gas – Production plays an important role in the economy. The industry, however, is prone to heavy fluctuations and is difficult to gage over the long range. It, nevertheless, is an important economic player in Southeast New Mexico. The WTI (West Texas Intermediate) index has fluctuated \$45-55 per barrel over the course of a year.

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), Cavu Aerospace (airplane parts), General Air Frame Support and Leprino Foods (cheese processing plant).

Commercial – The commercial retail sector continues to dominate the industry sector and has experienced a steady growth through 2017. 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 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. The Roswell Solar (NextEra) 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 is part of the GASB 77 disclosure. 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 adhered to by the departments and approved by the governance of Chaves County.

Major Initiatives

Chaves County has engaged in several initiatives and projects as listed below:

Hobson Road Project - This project is estimated to cost \$2.5 million upon completion and consists of planning, designing, and improving five miles of pavement on Hobson Road and U.S. 285 South. This includes the reconstruction of two intersections, placement of new culverts, correcting drainage, the construction of a drainage pond, re-processing and adding base course, and re-paving the road bed.

Solid Waste Convenience Centers - This project is estimated to cost a total of \$460,000 upon completion and consists of the construction of pad sites at selected locations throughout Chaves County utilizing 10 large refuse compactors.

Chaves County Courthouse ADA Elevator and Historic Window replacement - Planning, design, equipping, and installation of an elevator into a modified building envelope. The elevator is to have a climate controlled entry vestibule and landing. This project is estimated to cost \$250,000. For design and install window replacements acceptable to the NM State Historical Preservation Department, the estimated cost is \$450,000.

AWARDS AND ACKNOWLEDGMENT

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, 2016. 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, 2017 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

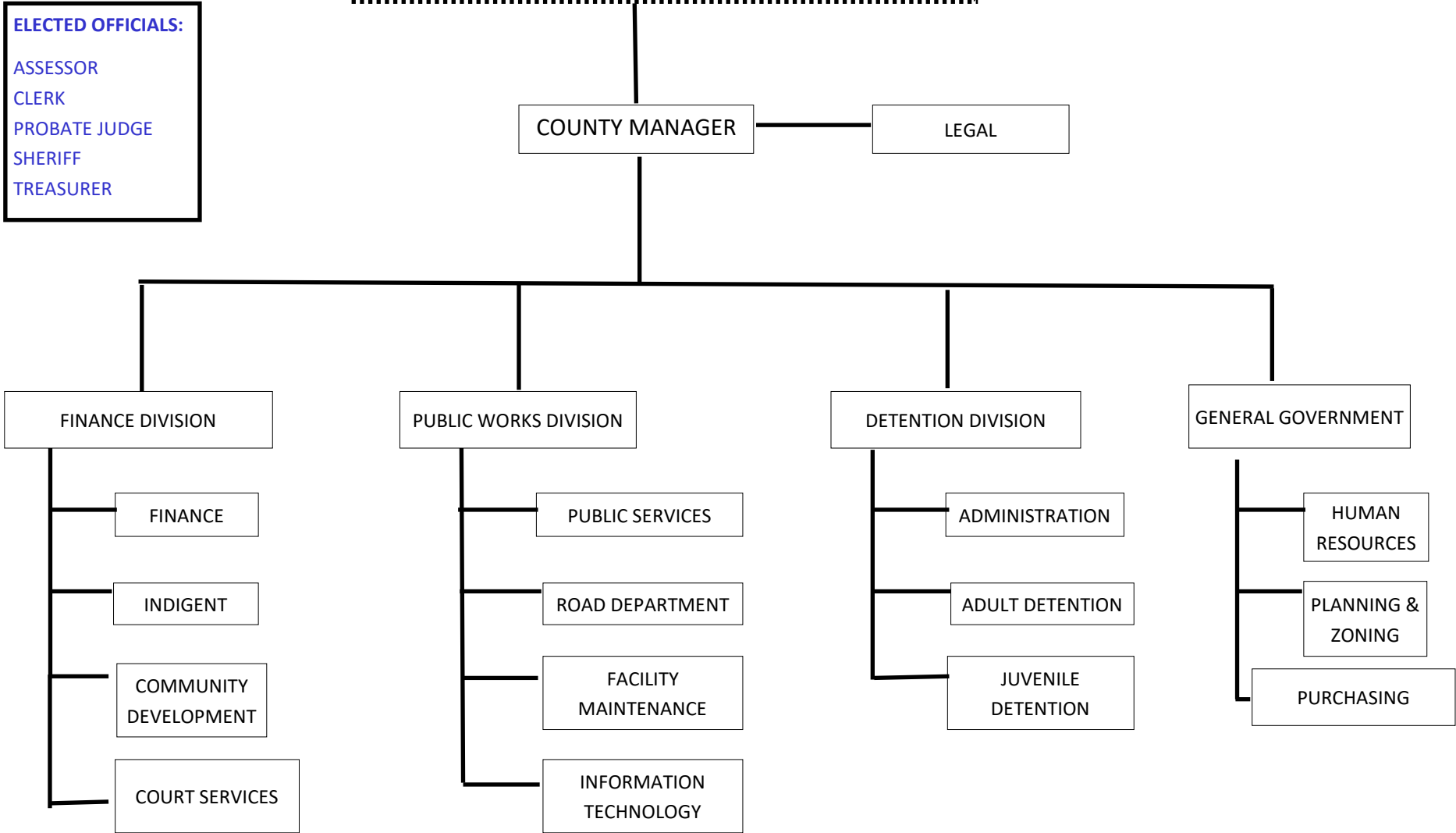
June 30, 2016

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 OFFICERS
JUNE 30, 2017**

Name	Title
<u>County Commissioners</u>	
James W. Duffey	District 1 Commissioner
T. Calder Ezzell, Jr.	District 2 Commissioner
Jeff Bilberry	District 3 Commissioner
Robert Corn	District 4 Commissioner
William E. Cavin	District 5 Commissioner
<u>Elected Officials</u>	
Mark Willard	County Assessor
David Kunko	County Clerk
Britt Snyder	County Sheriff
Charlette Andrade	County Treasurer
<u>Administrative Officials</u>	
Stanton L. Riggs	County Manager
Joe Sedillo	Finance Director
William Williams	Public Services Director
Alfredo Garcia	IT Director
Marlin Johnson	Planning and Zoning Director
Richard "Dick" Smith	Flood Control Superintendent
Clay Corn	Adult and Juvenile Detention Administrator

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

County Commissioners of
Chaves County
Chaves, New Mexico
and
Mr. Timothy Keller
New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Chaves County, New Mexico (the County), as of and for the year ended June 30, 2017, and the related notes to financial statements, which collectively comprise the County's basic financial statements 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.

County Commissioners of
Chaves County and
Mr. Timothy Keller
New Mexico State Auditor

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 and the respective budgetary comparisons for the general fund and the major special revenue funds of the County as of June 30, 2017, and the respective changes in financial position, and where applicable, cash flows thereof 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 the internal service fund and fiduciary fund of the County as of June 30, 2017 in accordance with accounting principles generally accepted in the United States of America.

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 opinion on the County's financial statements and the budgetary comparisons of the general fund and major special revenue funds. The Introductory Section, Supplementary Information, Other Supplementary Information, and Statistical Section, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and Other Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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

County Commissioners of
Chaves County and
Mr. Timothy Keller
New Mexico State Auditor

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 Supplementary Information and Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'JAG LLC', with a stylized flourish above the letters.

Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 29, 2017

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

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, 2017. 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 decreased \$2.7 million primarily due to an increase in public safety and public works expenses. 70% of the overall decrease in net position is due to additional non-cash pension expense recognized under GASB 68.
- General revenues from governmental activities accounted for \$28.2 million in revenue, or 83% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5.6 million or 17% of total governmental activities revenues.
- The County had \$36.5 million in expenses related to governmental activities, an increase of 9% from the prior fiscal year. 6% of the increase was due to the additional pension expense under GASB 68.
- The General Fund had \$15.7 million in revenues, which primarily consisted of property tax and intergovernmental revenues. The total expenditures of the General Fund were \$15.9 million. The General Fund's fund balance decreased \$1.8 million to \$3.9 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 \$2.0 million in revenues, which primarily consisted of gasoline and motor vehicle taxes. The total expenditures of the Road Fund were \$4.9 million. The Road Fund's fund balance (after transfers) increased \$30,067 to \$1.1 million at current fiscal year-end.
- The Indigent Hospital Claims Fund had \$3.1 million in revenues, which primarily consisted of gross receipts taxes. The total expenditures of the Indigent Hospital Claims Fund were \$4.0 million. The Indigent Hospital Claims Fund's fund balance decreased \$597,074 from prior fiscal year end to \$372,003.
- The Detention Construction Fund had \$5.6 million in revenues, which consisted of gross receipts taxes. The total expenditures of the Detention Construction Fund were \$2.0 million. The Detention Construction Fund's fund balance (after transfers) increased \$1.9 million from a deficit of \$574,303, to \$1.4 million primarily due to an increase in gross receipt taxes.

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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 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 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.

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 balances for the General, Road, Indigent Hospital Claims, Detention Construction, and County Permanent Fund, all of which are 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 nonmajor governmental funds is provided in the form of combining statements and schedules.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds. The County maintains one type of proprietary fund. The internal service funds 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 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.

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 \$160.3 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table presents a summary of the County's net position for the fiscal years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 72,924,964	\$ 73,328,465
Capital assets, net	<u>113,405,881</u>	<u>115,242,682</u>
Total assets	<u>186,330,845</u>	<u>188,571,147</u>
Deferred outflows	<u>9,522,114</u>	<u>1,971,416</u>
Current and other liabilities	3,947,321	1,379,137
Long-term liabilities	<u>31,327,139</u>	<u>25,737,751</u>
Total liabilities	<u>35,274,460</u>	<u>27,116,888</u>
Deferred inflows	<u>303,148</u>	<u>477,934</u>
Net investment in capital assets	105,441,719	105,759,730
Restricted	65,792,872	64,183,013
Unrestricted	<u>(10,959,240)</u>	<u>(6,995,002)</u>
Total net position	<u>\$ 160,275,351</u>	<u>\$ 162,947,741</u>

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.

- Bond principal retirement of \$1.1 million and NMFA loan principal retirement of \$538,293.
- Addition of approximately \$2.5 million in capital assets and current depreciation expense of \$4.3 million.
- Increase in pension liabilities of \$9.5 million, offset by increase in deferred inflows of \$7.6 million.

Changes in net position. The County's total revenues for the current fiscal year were \$33.8 million. The total cost of all programs and services was \$36.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and 2016:

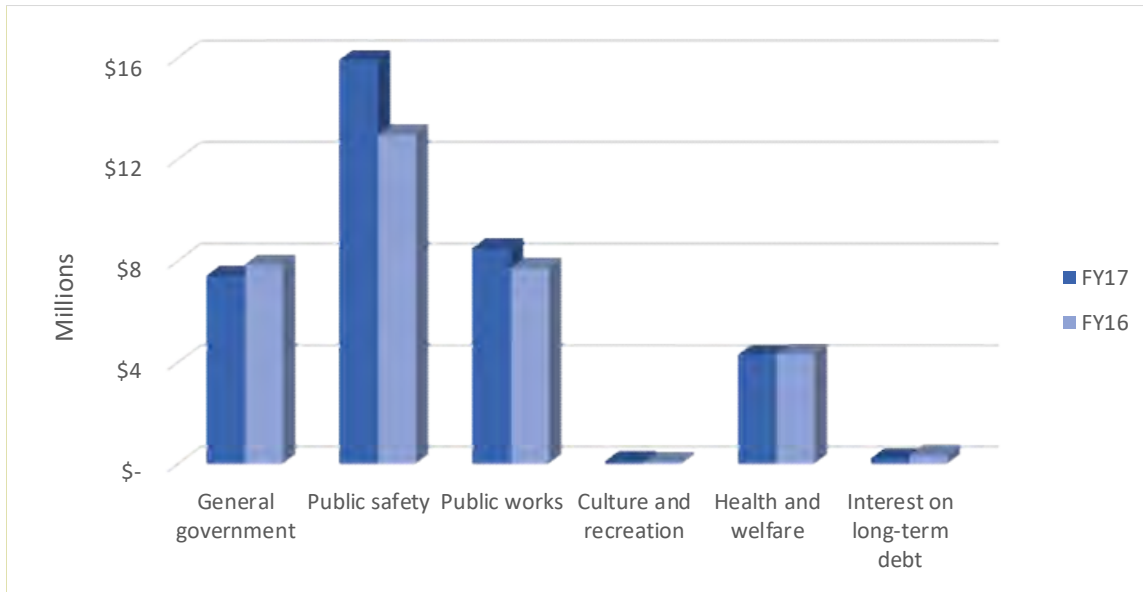
**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues		
Charges for services	\$ 2,260,287	\$ 1,793,452
Operating grants and contributions	2,394,814	2,866,897
Capital grants and contributions	956,137	1,064,629
General revenues		
Property taxes, levied for general purposes	8,762,252	8,393,175
Property taxes, levied for capital purposes	1,394,140	1,362,304
Gross receipts taxes	11,734,763	11,865,673
Gasoline and motor vehicle taxes	1,505,996	1,706,243
Other taxes	1,066,133	1,163,063
Unrestricted federal aid	3,636,563	3,370,740
Investment income	110,743	1,231,890
Total revenues	<u>33,821,828</u>	<u>34,818,066</u>
Expenses		
General government	7,417,325	7,847,105
Public safety	15,915,084	12,986,788
Public works	8,512,710	7,737,892
Culture and recreation	110,727	83,037
Health and welfare	4,312,294	4,362,604
Interest on long-term debt	226,078	356,958
Total expenses	<u>36,494,218</u>	<u>33,374,384</u>
Changes in net position	(2,672,390)	1,443,682
Net position - beginning of year	<u>162,947,741</u>	<u>161,504,059</u>
Net position - ending of year	<u>\$ 160,275,351</u>	<u>\$ 162,947,741</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



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

- Operating grants and contributions decreased \$472,083 due to decreased capital grant funding from the State of New Mexico CYFD Juvenile Continuum Grant, fire construction projects, and appropriations.
- Investment income decreased \$1.1 million primarily due to reinvestment into long-term securities.
- Public safety expenses increased \$2.9 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 \$774,818 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 (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	2017		2016	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 7,417,325	\$ (5,330,236)	\$ 7,847,105	\$ (6,007,292)
Public safety	15,915,084	(13,318,505)	12,986,788	(10,059,768)
Public works	8,512,710	(7,652,296)	7,737,892	(6,861,217)
Culture and recreation	110,727	(110,727)	83,037	(83,037)
Health and welfare	4,312,294	(4,245,138)	4,362,604	(4,281,134)
Interest on long-term debt	226,078	(226,078)	356,958	(356,958)
Total	\$ 36,494,218	\$ (30,882,980)	\$ 33,374,384	\$ (27,649,406)

- The cost of all governmental activities this year was \$36.5 million.
- Charges for services and contributions subsidized certain governmental programs with revenues of \$5.6 million.
- Net cost of governmental activities of \$30.9 million was financed by general revenues of \$28.2 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 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 \$70.6 million, a decrease of \$736,112, or approximately 1%.

The General Fund is the principal operating fund of the County. The decrease in fund balance of \$5.7 million to \$3.9 million as of fiscal year-end was a result of transfers out to help fund certain construction costs for the Chaves County Detention Center and other capital projects.

General Fund revenues decreased \$339,607 primarily as a result of reduced investment income. General Fund expenditures increased \$712,210 as a result of the expansion of the County's detention center, cost of operation, and personnel.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (CONTINUED)

The Road Fund's fund balance decreased \$30,067 to \$1.1 million as of fiscal year end. Road Fund revenues decreased \$212,266 to \$1.9 million and expenditures decreased \$210,282 to \$4.9 million at fiscal year-end.

The Indigent Hospital Fund's fund balance had a decrease of \$597,074 to \$372,003 at fiscal year-end. The decrease was primarily due to increased expenditures related to prisoner care services.

The Detention Construction Fund's fund balance increased \$1.9 million from a deficit of \$574,303 to \$1.4 million at fiscal year-end primarily due to the additional 3/8th increment in Gross Receipts Tax.

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 processor 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 \$900,906 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 \$1.7 million 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.

There were no significant variances between the General Fund's original and final budgets.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year-end, the County had invested \$164.1 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 \$1.2 million. Total depreciation expense for the current fiscal year was \$4.3 million. The following schedule presents capital asset balances for the fiscal years ended June 30, 2017 and 2016:

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

<u>Governmental Activities</u>	<u>2017</u>	<u>2016</u>
Land	\$ 3,821,441	\$ 3,821,441
Construction in progress	-	18,672,595
Infrastructure	48,433,470	48,433,470
Fine art	642,181	642,181
Land improvements	441,849	635,438
Buildings and improvements	64,532,387	43,908,062
Vehicles, furniture and equipment	32,038,064	32,539,563
Bridges	14,203,461	14,200,000
Subtotal	164,112,853	162,852,750
Accumulated depreciation	(50,706,972)	(47,610,068)
Total	<u>\$ 113,405,881</u>	<u>\$ 115,242,682</u>

There are no current construction projects in progress. 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 6.

Debt Administration. At year-end, the County had \$7.2 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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Bonds payable	\$ 2,995,000	\$ 4,203,131
Loans payable	4,193,369	5,279,821
Total	<u>\$ 7,188,369</u>	<u>\$ 9,482,952</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

State statutes currently limit the amount of general obligation debt a County may issue to 4% of its total taxable property for general purposes. The current debt limitation for general purposes for the County is \$47.4 million. The County has no general obligation debt outstanding.

Additional information on the County's long-term debt can be found in Notes 7 through 10.

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 2017-18 budget. Among them:

- The county enacted 1/12th increment beginning in January 2018.
- The unemployment rate of Chaves County is 6.1% which is a decrease of 1.4% from last year's 7.5%. This is greater than the state's unemployment rate of 5.9% and an unfavorable rate compared to the national average rate of 4.3%.
- An increase of federal and local PILT at 6.9%.
- Inflationary trends in the region compare favorably to the national indices of 1.7%.

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

Budgeted expenditures in the General Fund decreased 1.4% to \$16.3 million in fiscal year 2017-18. A decrease in areas as in Agency Allocations; personnel cost plus direct employee benefits contributed to the decrease.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

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, PO Box 1597, Roswell, New Mexico 88202-1597 or visit our website at <http://co.chaves.nm.us>.

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2017**

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 4,772,740
Investments	15,288,014
Receivables	2,730,199
Inventory	850,893
Prepaid items	305,087
Total current assets	23,946,933
Non-current assets	
Cash and cash equivalents - restricted	1,000,000
Investments - restricted	47,978,031
Capital assets, nondepreciable	52,897,092
Capital assets, depreciable, net	60,508,789
Total non-current assets	162,383,912
Total assets	186,330,845
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	9,522,114
LIABILITIES	
Current liabilities	
Accounts payable	1,070,682
Accrued payroll	622,986
Compensated absences	464,133
Loans payable	541,679
Bonds Payable	1,180,000
Accrued interest payable	67,841
Total current liabilities	3,947,321
Non-current liabilities	
Non-current portion of long-term debt	6,242,483
Net pension liability	25,084,656
Total non-current liabilities	31,327,139
Total liabilities	35,274,460
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	303,148
NET POSITION	
Net investment in capital assets	105,441,719
Restricted for	
Special purposes (Note 2)	7,861,507
Debt service	4,060,141
Capital outlay	3,871,224
Nonexpendable	50,000,000
Unrestricted (deficit)	(10,959,240)
Total net position	\$ 160,275,351

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities					
General government	\$ 7,417,325	\$ 1,961,657	\$ 125,432	\$ -	\$ (5,330,236)
Public safety	15,915,084	178,479	2,202,226	215,874	(13,318,505)
Public works	8,512,710	120,151	-	740,263	(7,652,296)
Culture and recreation	110,727	-	-	-	(110,727)
Health and welfare	4,312,294	-	67,156	-	(4,245,138)
Interest on long-term debt	\$ 226,078	-	-	-	(226,078)
Total governmental activities	\$ 36,494,218	\$ 2,260,287	\$ 2,394,814	\$ 956,137	(30,882,980)

General Revenues:

Taxes

Property taxes, levied for general purposes	8,762,252
Property taxes, levied for capital purposes	1,394,140
Gross receipts tax	11,734,763
Gasoline and motor vehicle taxes	1,505,996
Other taxes	1,066,133
Unrestricted federal aid	3,636,563
Investment income	110,743
Total general revenues	28,210,590
Changes in net position	(2,672,390)
Net position - beginning of year	162,947,741
Net position - end of year	\$ 160,275,351

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017**

	General	Road	Indigent Hospital Claims	Detention Construction
ASSETS				
Cash and cash equivalents	\$ 448,020	\$ 564,537	\$ -	\$ 2,551,396
Cash and cash equivalents - restricted	-	-	-	-
Investments	3,706,197	-	5,768	-
Investments - restricted	-	-	-	478,031
Receivables	546,210	67,421	389,217	888,152
Inventory	-	831,168	-	-
Prepaid items	157,257	21,063	536	90,249
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 4,857,684</u>	<u>\$ 1,484,189</u>	<u>\$ 395,521</u>	<u>\$ 4,007,828</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 164,062	\$ 298,787	\$ 19,006	\$ 136,146
Accrued payroll	469,112	91,979	4,512	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	2,500,000
Total liabilities	<u>633,174</u>	<u>390,766</u>	<u>23,518</u>	<u>2,636,146</u>
Deferred inflows of resources				
Unavailable revenues	<u>338,604</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	157,257	852,231	536	90,249
Restricted	-	241,192	371,467	1,281,433
Committed	-	-	-	-
Unassigned	<u>3,728,649</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>3,885,906</u>	<u>1,093,423</u>	<u>372,003</u>	<u>1,371,682</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,857,684</u>	<u>\$ 1,484,189</u>	<u>\$ 395,521</u>	<u>\$ 4,007,828</u>

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017**

	County Permanent	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 1,027,836	\$ 4,591,789
Cash and cash equivalents - restricted	-	1,000,000	1,000,000
Investments	-	11,576,049	15,288,014
Investments - restricted	47,500,000	-	47,978,031
Receivables	-	839,201	2,730,201
Inventory	-	-	831,168
Prepaid items	-	35,980	305,085
Interfund advances receivable	2,500,000	161,216	2,661,216
Total assets	<u>\$ 50,000,000</u>	<u>\$ 14,640,282</u>	<u>\$ 75,385,504</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Current liabilities			
Accounts payable	\$ -	\$ 443,893	\$ 1,061,894
Accrued payroll	-	57,382	622,985
Unearned revenues	-	-	-
Interfund advances payable	-	161,216	2,661,216
Total liabilities	<u>-</u>	<u>662,491</u>	<u>4,346,095</u>
Deferred inflows of resources			
Unavailable revenues	-	79,011	417,615
Fund balances			
Nonspendable	50,000,000	35,980	51,136,253
Restricted	-	12,367,981	14,262,073
Committed	-	1,494,819	1,494,819
Unassigned	-	-	3,728,649
Total fund balances	<u>50,000,000</u>	<u>13,898,780</u>	<u>70,621,794</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,000,000</u>	<u>\$ 14,640,282</u>	<u>\$ 75,385,504</u>

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

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

Fund balances - total governmental funds	\$	70,621,794
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets, net of accumulated depreciation		113,405,881
Deferred inflows and outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflow of resources related to pensions		9,522,114
Deferred inflow of resources related to pensions		(303,148)
Some revenues will not be available to pay for current period expenditures and, therefore, are not reported in the funds.		
Property taxes		395,577
Other taxes		22,037
The Internal service fund is used by management to charge the costs of supplies and services to individual departments. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Position.		
		191,886
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(67,841)
Accrued compensated absences payable		(724,924)
Bond premium payable		(45,149)
Loan premium payable		(469,851)
Bonds payable		(2,995,000)
Loans payable		(4,193,369)
Net pension liability		(25,084,656)
Net position - total governmental activities	\$	<u>160,275,351</u>

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	General	Road	Indigent Hospital Claims	Detention Construction
Revenues				
Property taxes	\$ 8,752,515	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	488,308	1,017,688	-	-
Gross receipts tax	646,100	300,000	2,324,521	5,597,302
Other taxes	-	-	757,115	-
State grants and contributions	201,099	607,828	334	-
Federal grants and contributions	3,636,563	1,499	-	-
Charges for services	681,564	-	-	-
Licenses and fees	486,133	-	-	-
Investment income	107,823	-	-	1,991
Other	669,280	18,277	3,476	-
Total revenues	<u>15,669,385</u>	<u>1,945,292</u>	<u>3,085,446</u>	<u>5,599,293</u>
Expenditures				
Current				
General government	6,147,450	-	-	-
Public safety	9,609,339	-	-	1,282,589
Public works	-	4,582,470	-	1,846
Culture and recreation	99,911	-	-	-
Health and welfare	52,450	-	3,982,520	-
Capital outlay	-	332,755	-	65,118
Debt service				
Principal	-	-	-	435,000
Interest and fees	-	-	-	168,755
Total expenditures	<u>15,909,150</u>	<u>4,915,225</u>	<u>3,982,520</u>	<u>1,953,308</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(239,765)</u>	<u>(2,969,933)</u>	<u>(897,074)</u>	<u>3,645,985</u>
Other financing sources (uses)				
Transfers in	2,800,000	3,000,000	300,000	1,000,000
Transfers out	(4,360,000)	-	-	(2,700,000)
Total other financing sources (uses)	<u>(1,560,000)</u>	<u>3,000,000</u>	<u>300,000</u>	<u>(1,700,000)</u>
Change in fund balances	(1,799,765)	30,067	(597,074)	1,945,985
Fund balances, beginning of year	<u>5,685,671</u>	<u>1,063,356</u>	<u>969,077</u>	<u>(574,303)</u>
Fund balances, end of year	<u>\$ 3,885,906</u>	<u>\$ 1,093,423</u>	<u>\$ 372,003</u>	<u>\$ 1,371,682</u>

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	County Permanent	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ -	\$ 1,400,823	\$ 10,153,338
Gasoline and motor vehicles taxes	-	-	1,505,996
Gross receipts tax	-	2,866,840	11,734,763
Other taxes	-	309,018	1,066,133
State grants and contributions	-	2,342,099	3,151,360
Federal grants and contributions	-	67,156	3,705,218
Charges for services	-	74,656	756,220
Licenses and fees	-	125,932	612,065
Investment income	-	929	110,743
Other	-	248,694	939,727
Total revenues	<u>-</u>	<u>7,436,147</u>	<u>33,735,563</u>
Expenditures			
Current			
General government	-	330,745	6,478,195
Public safety	-	2,044,218	12,936,146
Public works	-	947,894	5,532,210
Culture and recreation	-	-	99,911
Health and welfare	-	259,765	4,294,735
Capital outlay	-	2,707,001	3,104,874
Debt service			
Principal	-	1,243,293	1,678,293
Interest and fees	-	178,556	347,311
Total expenditures	<u>-</u>	<u>7,711,472</u>	<u>34,471,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(275,325)</u>	<u>(736,112)</u>
Other financing sources (uses)			
Transfers in	-	2,446,466	9,546,466
Transfers out	-	(2,486,466)	(9,546,466)
Total other financing sources (uses)	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Change in fund balances	<u>-</u>	<u>(315,325)</u>	<u>(736,112)</u>
Fund balances, beginning of year	<u>50,000,000</u>	<u>14,214,105</u>	<u>71,357,906</u>
Fund balances, end of year	<u>\$ 50,000,000</u>	<u>\$ 13,898,780</u>	<u>\$ 70,621,794</u>

See notes to financial statements.

**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
FOR THE YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds \$ (736,112)

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	\$ 2,462,571	
Current year depreciation	<u>(4,283,779)</u>	(1,821,208)

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	3,054	
Other taxes	54,287	
Intergovernmental	<u>(52,547)</u>	4,794

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	1,140,000	
Loan principal retirement	<u>538,293</u>	1,678,293

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.

County pension contribution	1,343,110	
Pension expense	<u>(3,143,253)</u>	(1,800,143)

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	(46,303)	
Loss on disposal of capital assets	(15,593)	
Compensated absences payable	(37,157)	
Amortization of debt items	101,290	
Accrued interest on long-term debt	<u>19,943</u>	22,180

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.

(20,194)

Change in net position of governmental activities **\$ (2,672,390)**

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Property taxes	\$ 8,446,275	\$ 8,658,912	\$ 8,713,013	\$ 54,101
Gasoline and motor vehicle taxes	1,037,934	1,041,633	528,556	(513,077)
Gross receipts taxes	950,000	1,046,100	646,100	(400,000)
State grants and contributions	75,667	201,099	201,099	-
Federal grants and contributions	3,443,383	3,613,663	3,613,663	-
Charges for services	504,000	636,234	625,609	(10,625)
Licenses and fees	417,866	495,058	486,133	(8,925)
Investment income	1,015,000	1,291,682	(392,177)	(1,683,859)
Other	518,225	665,719	657,181	(8,538)
Total revenues	<u>16,408,350</u>	<u>17,650,100</u>	<u>15,079,177</u>	<u>(2,570,923)</u>
Expenditures				
Current				
General government	6,324,750	6,515,844	6,139,493	376,351
Public safety	9,981,501	9,945,351	9,605,781	339,570
Public works	-	-	-	-
Culture and recreation	132,238	131,776	99,911	31,865
Health and welfare	70,042	63,305	51,563	11,742
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>16,508,531</u>	<u>16,656,276</u>	<u>15,896,748</u>	<u>759,528</u>
Other financing sources (uses)				
Transfers in	-	1,070,000	1,070,000	-
Transfers out	-	(2,512,000)	(2,512,000)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (1,442,000)</u>	<u>(1,442,000)</u>	<u>\$ -</u>
Change in fund balance - budgetary basis			(2,259,571)	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			595,208	
Unbudgeted expenditure accruals			(535,402)	
Change in fund balance for funds budgeted separately from the General Fund			<u>400,000</u>	
Change in fund balance - GAAP Basis			<u>\$ (1,799,765)</u>	

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	1,096,000	1,099,109	1,082,775	(16,334)
Gross receipts taxes	300,000	300,000	300,000	-
State grants and contributions	450,000	607,828	607,828	-
Federal grants and contributions	24,000	24,000	1,499	(22,501)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	25,000	28,127	18,276	(9,851)
Total revenues	1,895,000	2,059,064	2,010,378	(48,686)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	5,310,490	5,310,490	4,491,183	819,307
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	193,300	356,300	332,755	23,545
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	5,503,790	5,666,790	4,823,938	842,852
Other financing sources				
Transfers in	3,100,000	2,500,000	2,500,000	-
Transfers out	-	-	-	-
Total other financing sources	\$ 3,100,000	\$ 2,500,000	2,500,000	\$ -
Change in fund balance - budgetary basis			(313,560)	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			434,913	
Unbudgeted expenditure accruals			(91,286)	
Change in fund balance - GAAP Basis			\$ 30,067	

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
INDIGENT HOSPITAL CLAIMS FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Gross receipts taxes	2,123,025	2,387,692	2,387,692	-
State grants and contributions	-	334	334	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	798,000	826,017	826,017	-
Total revenues	<u>2,921,025</u>	<u>3,214,043</u>	<u>3,214,043</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	4,053,335	4,083,791	4,082,678	1,113
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>4,053,335</u>	<u>4,083,791</u>	<u>4,082,678</u>	<u>1,113</u>
Other financing sources				
Transfers in	500,000	300,000	300,000	-
Transfers out	-	-	-	-
Total other financing sources	<u>\$ 500,000</u>	<u>\$ 300,000</u>	<u>300,000</u>	<u>\$ -</u>
Change in fund balance - budgetary basis			(568,635)	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			128,596	
Unbudgeted expenditure accruals			<u>(157,035)</u>	
Change in fund balance - GAAP Basis			<u>\$ (597,074)</u>	

See notes to financial statements.

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2017

	Governmental Activities: Internal Service Funds
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 180,950
Inventory	<u>19,725</u>
Total assets	<u>200,675</u>
LIABILITIES	
Current Liabilities	
Accounts payable	<u>8,789</u>
Total liabilities	<u>8,789</u>
NET POSITION	
Unrestricted	<u>191,886</u>
Total net position	<u><u>\$ 191,886</u></u>

See notes to financial statements.

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities: Internal Service Funds
Operating revenues	
Sales of supplies	\$ 22,127
Charges for services	61,074
Total operating revenues	83,201
 Operating expenses	
Supplies	27,531
Services	75,865
Total operating expenses	103,396
 Operating income (loss)	 (20,195)
 Changes in net position	 (20,195)
Total net position, beginning of year	212,081
 Total net position, end of year	 \$ 191,886

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Governmental Activities: Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from operating activities	
Cash received from sales of supplies and services	\$ 86,130
Cash payments to suppliers for goods and services	(101,528)
Net cash provided by (used in) operating activities	(15,398)
Net decrease in cash and cash equivalents	(15,398)
Cash and cash equivalents, beginning of year	196,348
Cash and cash equivalents, end of year	\$ 180,950
Reconciliation of Operating Income (Loss) to	
Net Cash Used in Operating Activities	
Operating income (loss)	\$ (20,195)
Adjustments to reconcile change in net position to net cash used in operating activities:	
Decrease in inventory	2,929
Increase in accounts payable	1,868
Total adjustments	4,797
Net cash used in operating activities	\$ (15,398)

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2017**

Assets	
Cash and cash equivalents	\$ 517,230
Taxes receivable	<u>2,368,175</u>
Total assets	<u>\$ 2,885,405</u>
Liabilities	
Deposits held for others	\$ 58,932
Due to taxing entities	<u>2,826,473</u>
Total liabilities	<u>\$ 2,885,405</u>

See notes to financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017, the County implemented the provisions of GASB Statement No. 77, *Tax Abatement Disclosures* (See Note 18).

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 the financial activity of those organizational entities for which its elected governing body is financially accountable.

B. Government-Wide and Fund Financial Statements

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Governmental 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 arises 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Nonmajor 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)

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% 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. NMSA empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. At the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The investment in the State of New Mexico local government investment pool approximates the value of the participant's pool share.

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 noncurrent 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, donated works of art and similar items, and capital assets received in any service concession arrangements are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Unpaved roads are not depreciated since once they are placed in operation, only annual maintenance is required to keep them operational for an indefinite period. 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 net 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 net 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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 re-appropriated 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.

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2. FUND BALANCE CLASSIFICATIONS (CONTINUED)

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.

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	Nonmajor Governmental Funds	Total
Fund Balances:							
Nonspendable							
Inventory	\$ -	\$ 831,168	\$ -	\$ -	\$ -	\$ -	\$ 831,168
Prepaid	157,257	21,063	536	90,249	-	-	269,105
Permanent	-	-	-	-	50,000,000	-	50,000,000
Restricted							
Debt Service	-	-	-	-	-	4,060,141	4,060,141
Capital Projects	-	241,192	-	1,281,433	-	2,348,599	3,871,224
State/Federal Projects	-	-	-	-	-	431,474	431,474
Health services	-	-	371,467	-	-	-	371,467
Fire Protection	-	-	-	-	-	5,171,130	5,171,130
Law enforcement	-	-	-	-	-	405,298	405,298
Environmental services	-	-	-	-	-	22,842	22,842
Committed							
Capital projects	-	-	-	-	-	491,764	491,764
County assessor	-	-	-	-	-	780,696	780,696
County clerk	-	-	-	-	-	165,053	165,053
Law enforcement	-	-	-	-	-	21,783	21,783
Unassigned	<u>3,728,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,728,649</u>
Total fund balances	<u>\$ 3,885,906</u>	<u>\$ 1,093,423</u>	<u>\$ 372,003</u>	<u>\$ 1,371,682</u>	<u>\$ 50,000,000</u>	<u>\$ 13,898,780</u>	<u>\$ 70,621,794</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3. CASH AND INVESTMENTS

At year-end, the carrying amount of the County's deposits was \$6,240,982 and the bank balance was \$6,675,884. The difference represents outstanding checks, deposits, and other reconciling items.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County has a deposit policy for custodial credit risk which follows New Mexico law. All deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The County's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). At year end, \$6,263,543 of the County's bank balance was exposed to custodial credit risk as uninsured and \$5,002,858 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	\$ 6,675,884
FDIC coverage	(412,341)
Total unsecured public funds	<u>6,263,543</u>
50% collateral requirement	3,131,771
Pledged securities, fair value	<u>5,002,858</u>
Pledged amount (over) under requirement	<u>\$ (1,871,087)</u>

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

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	Fair Value	Investment Maturity in Years			Total	Credit Risk Concentrations
			Less than 1	1-5	6-10		
Money market - investments	N/A	\$ 32,803	\$ 32,803	\$ -	\$ -	\$ 32,803	0.05%
State investment pool	N/A	284,885	284,885	-	-	284,885	0.45%
Corporate bond	Level 2	19,104,864	12,280,482	6,824,382	-	19,104,864	30.20%
U.S. Treasuries	Level 2	13,782,126	-	13,782,126	-	13,782,126	21.78%
U.S. Agencies:							
Federal National Mortgage Association	Level 2	12,113,048	1,195,897	10,917,151	-	12,113,048	19.15%
Federal Home Loan Mortgage Corp	Level 2	5,571,949	649,987	4,921,962	-	5,571,949	8.81%
Federal Home Loan Bank	Level 2	6,357,934	2,298,827	4,059,107	-	6,357,934	10.05%
Federal Farm Credit Bank	Level 2	5,540,405	1,340,657	4,199,748	-	5,540,405	8.76%
Investments – NMFA Pooled Debt Service Account	Level 2	<u>478,031</u>	<u>478,031</u>	-	-	<u>478,031</u>	<u>0.76%</u>
Total		<u>\$ 63,266,045</u>	<u>\$ 18,561,569</u>	<u>\$ 44,704,476</u>	<u>\$ -</u>	<u>\$ 63,266,045</u>	<u>100.00%</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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 (WAM) of the State Treasurer’s local government investment pool was WAM(R) 58 days and WAM (F) 106 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 the County’s investments in U.S. Agencies in the preceding table were rated Aaa by Moody’s Investors Service and AA+ by Standard & Poor’s. The New MexiGROW Local Government Investment Pool (LGIP), a government investment pool is rated AAAM by Standard & Poor’s and is authorized by the New Mexico State statute.

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

The County’s investment in the New Mexico State Treasurer’s Local Government 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, NM 87505-5135. Participants in the New Mexico State Treasurer’s Local Government Investment Pool are not required to categorize the values of shares in accordance with the fair value hierarchy.

NOTE 4. RECEIVABLES

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

	General Fund	Road Fund	Indigent Hospital Claims Fund	Detention Construction Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 443,416	\$ -	\$ -	\$ -	\$ 96,809	\$ 540,225
Gasoline and motor vehicle	34,739	63,253	-	-	-	97,992
Gross receipts	-	-	389,217	888,152	481,123	1,758,492
Accounts	68,055	4,168	-	-	36,328	108,551
Due from state government	-	-	-	-	<u>224,941</u>	<u>224,941</u>
Net receivables	<u>\$ 546,210</u>	<u>\$ 67,421</u>	<u>\$ 389,217</u>	<u>\$ 888,152</u>	<u>\$ 839,201</u>	<u>\$ 2,730,201</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. 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	Nonmajor Governmental Funds	Total
Property taxes receivable	\$ 316,566	\$ 79,011	\$ 395,577
Other taxes	22,038	-	22,038
Total deferred inflows of resources	<u>\$ 338,604</u>	<u>\$ 79,011</u>	<u>\$ 417,615</u>

NOTE 6. CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Transfers / Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 3,821,441	\$ -	\$ -	\$ -	\$ 3,821,441
Construction in progress	18,672,595	-	-	(18,672,595)	-
Infrastructure (paved and unpaved)	48,433,470	-	-	-	48,433,470
Fine art	642,181	-	-	-	642,181
Total capital assets, not being depreciated	<u>71,569,687</u>	<u>-</u>	<u>-</u>	<u>(18,672,595)</u>	<u>52,897,092</u>
Capital assets, being depreciated:					
Land improvements	635,438	-	-	(193,589)	441,849
Buildings and improvements	43,908,062	290,341	-	20,333,984	64,532,387
Vehicles, furniture, and equipment	32,539,563	2,168,769	(1,202,468)	(1,467,800)	32,038,064
Bridges	14,200,000	3,461	-	-	14,203,461
Total capital assets being depreciated	<u>91,283,063</u>	<u>2,462,571</u>	<u>(1,202,468)</u>	<u>18,672,595</u>	<u>111,215,761</u>
Accumulated depreciation for:					
Land improvements	(306,506)	(25,784)	-	-	(332,290)
Buildings and improvements	(18,295,535)	(2,106,393)	-	-	(20,401,928)
Vehicles, furniture, and equipment	(20,240,261)	(1,932,101)	1,186,875	-	(20,985,487)
Bridges	(8,767,766)	(219,501)	-	-	(8,987,267)
Total accumulated depreciation	<u>(47,610,068)</u>	<u>(4,283,779)</u>	<u>1,186,875</u>	<u>-</u>	<u>(50,706,972)</u>
Total capital assets, being depreciated, net	<u>43,672,995</u>	<u>(1,821,208)</u>	<u>(15,593)</u>	<u>18,672,595</u>	<u>60,508,789</u>
Governmental activities capital assets, net	<u>\$ 115,242,682</u>	<u>\$ (1,821,208)</u>	<u>\$ (15,593)</u>	<u>\$ -</u>	<u>\$ 113,405,881</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6. CAPITAL ASSETS (CONTINUED)

Governmental capital asset depreciation by function is as follows:

General government	\$ 507,233
Public safety	1,193,667
Public works	<u>2,582,879</u>
Total	<u><u>\$ 4,283,779</u></u>

Construction Commitments – At year-end, the County had no contractual commitments related to capital projects.

NOTE 7. 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:

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due within One Year
Governmental Activities:					
2007 Refunding Bonds	\$ 10,000,000	3.9%-4.1%	8/1/16-20	\$ <u>2,995,000</u>	\$ <u>1,180,000</u>

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

Year ending June 30,	Governmental Activities	
	Principal	Interest
2018	\$ 1,180,000	\$ 97,113
2019	1,215,000	49,204
2020	<u>600,000</u>	<u>12,300</u>
Total	<u><u>\$ 2,995,000</u></u>	<u><u>\$ 158,617</u></u>

Pledged Revenues – Governmental Activities. The County has pledged future gross receipts tax revenues to repay outstanding refunding bonds of \$5.0 million as of June 30, 2017. 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% 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 \$3.2 million and the total principal and interest paid on the bonds was \$2.0 million, or 62% of gross revenues.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8. 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 nonmajor governmental funds). The NMFA loans are as follows:

Description	Date of Issue	Maturity	Interest Rates	Original Amount of Issue	Balance June 30, 2017
District #8 Fire Equipment	March 2003	May 2023	3.00%	\$ 125,000	\$ 45,672
East Grand Plains Fire Equipment	April 2004	May 2024	3.66%-4.27%	269,708	116,926
East Grand Plains Fire Equipment	September 2006	May 2017	3.95%	150,000	-
Midway Fire Equipment	April 2009	May 2030	3.00%	162,400	116,090
East Grand Plains Fire Equipment	May 2011	May 2022	2.49%-3.86%	126,875	105,184
Country Detention Center Loan	June 2013	June 2023	4.10%-5.10%	4,725,000	3,070,000
Sierra Substation	July 2013	May 2033	1.00%-3.395%	619,613	519,828
Sierra Fire Truck	July 2014	May 2025	0.76%-2.93%	267,003	219,669
Total				<u>\$ 6,445,599</u>	<u>\$ 4,193,369</u>

Year ending June 30:	Principal	Interest	Total
2018	\$ 541,679	\$ 179,290	\$ 720,969
2019	587,455	154,271	741,726
2020	610,227	131,929	742,156
2021	633,328	103,448	736,776
2022	661,762	78,827	740,589
2023-27	904,411	95,940	1,000,351
2028-32	214,316	25,615	239,931
2033-34	40,191	1,246	41,437
Total	<u>\$ 4,193,369</u>	<u>\$ 770,566</u>	<u>\$ 4,963,935</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9. 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 \$398,054 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:	
2018	\$ 441,030
2019	358,276
2020	320,518
2021	287,063
Thereafter	<u>158,851</u>
Total minimum payments required	<u>\$ 1,565,738</u>

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 4,135,000	\$ -	\$ 1,140,000	\$ 2,995,000	\$ 1,180,000
Bond premium payable	<u>68,131</u>	<u>-</u>	<u>22,982</u>	<u>45,149</u>	<u>-</u>
Total bonds payable	<u>4,203,131</u>	<u>-</u>	<u>1,162,982</u>	<u>3,040,149</u>	<u>1,180,000</u>
Loans payable	4,731,662	-	538,293	4,193,369	541,679
Loan premium payable	<u>548,159</u>	<u>-</u>	<u>78,308</u>	<u>469,851</u>	<u>-</u>
Total loans payable	<u>5,279,821</u>	<u>-</u>	<u>616,601</u>	<u>4,663,220</u>	<u>541,679</u>
Net pension liability	15,567,030	9,517,626	-	25,084,656	-
Compensated absences	<u>687,769</u>	<u>806,162</u>	<u>769,005</u>	<u>724,926</u>	<u>464,133</u>
Total	<u>\$ 25,737,751</u>	<u>\$ 10,323,788</u>	<u>\$ 2,548,588</u>	<u>\$ 33,512,951</u>	<u>\$ 2,185,812</u>

NOTE 11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances –

Fire and Ambulance Excise Tax Fund:

In a prior year, the Sierra Fire District Fund, a nonmajor governmental fund, borrowed resources from the Fire and Ambulance Excise Tax Fund, a nonmajor governmental fund, to purchase fire equipment. The advance is payable over 10 years at a 3% interest rate. As of June 30, 2017, advances outstanding were \$11,216 and interest paid during the fiscal year was \$497.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

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%. 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, 2017, advances outstanding were \$2,500,000, and interest paid during the fiscal year was \$48,000.

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
	Major Funds				Nonmajor Governmental Fund	
	General Fund	Road Fund	Indigent Hospital Claims	Detention Construction Fund		
<u>Transfers out</u>						
General Fund	\$ -	\$ 3,000,000	\$ -	\$ 1,000,000	\$ 360,000	\$ 4,360,000
Detention Construction Fund	2,350,000	-	300,000	-	50,000	2,700,000
Nonmajor Governmental Funds	450,000	-	-	-	2,036,466	2,486,466
Total	<u>\$ 2,800,000</u>	<u>\$ 3,000,000</u>	<u>\$ 300,000</u>	<u>\$ 1,000,000</u>	<u>\$ 2,446,466</u>	<u>\$ 9,546,466</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 nonmajor governmental funds) for the payment of bond principal and interest, (2) to move the excess resources (as permitted by bond covenants and statute) from the Revenue Bond #2 to the Capital Outlay Fund to facilitate various capital projects, (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 Detention Construction Fund to the General Fund to restore fund balances used in the financing of construction project, (5) to move resources from the Detention Construction Fund to Indigent Health Care to cover inmates health expenses. Transfers were done in FY 2017-2018 that were affected by this fiscal year's end of the year processes. The transfers were done from General Fund to Road Fund (for \$500,000) and from Nonmajor to Nonmajor (for \$150,000).

NOTE 12. CONTINGENT LIABILITIES

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12. CONTINGENT LIABILITIES (CONTINUED)

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

NOTE 13. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County belongs to the New Mexico County Insurance Authority (NMCIA), a public entity risk pool currently operating as a common risk management and insurance program for its member counties. The County pays an annual premium to NMCIA for all 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% of preventative services, 80% of basic services, and 50% 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 \$129,062 and administrative fees of \$12,205. 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.

NOTE 14. 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 THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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	3.00%	2.50%	3.50%	3.00%
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, 2017 were \$988,275 and \$365,207, respectively.

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, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's proportionate share was established as of the measurement date of June 30, 2016.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 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, 2017 are shown in the table below. The County’s proportionate share in the Municipal General Plan 4 increased 0.0390% from the prior year, and the County’s proportionate share in the Municipal Police Plan 5 increased 0.0279% from the prior year.

	Net Pension Liability and Pension Expense		
PERA Plan	Proportionate Share of Net Pension Liability	Percent of Net Pension Liability	Pension Expense
Municipal General Plan 4	\$ 18,405,083	1.1520%	\$ 2,202,150
Municipal Police Plan 5	6,679,573	0.9053%	941,103
	\$ 25,084,656		\$ 3,143,253

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

At June 30, 2017, 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:

	Municipal General Plan 4		Municipal Police Plan 5	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 919,595	\$ 179,622	\$ 490,377	\$ -
Net difference between projected and actual earnings on pension plan investments	3,386,500	-	1,056,413	-
Changes of assumptions or other inputs	1,079,242	3,061	442,418	120,465
Changes in proportion and differences between between contributions and proportionate share of contributions	440,373	-	353,714	-
Contributions subsequent to the measurement date	988,275	-	365,207	-
Total	<u>\$ 6,813,985</u>	<u>\$ 182,683</u>	<u>\$ 2,708,129</u>	<u>\$ 120,465</u>

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Municipal General Plan 4	Municipal Police Plan 5
	2018	\$ 1,293,451
2019	1,293,451	592,359
2020	2,190,273	764,592
2021	865,852	273,147
2022	-	-

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, 2015 for each of the membership groups. Using the information from the June 30, 2015 valuation, each PERA Fund member group pension liability was rolled forward from the valuation date to the plan year ending June 30, 2016 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, 2016.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

The following actuarial methods and assumptions were adopted by the PERA Board for use in the June 30, 2015 actuarial valuation:

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.48% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for first 10 years, then 3.25% annual rate
Projected salary increases	2.75% to 14% annual rate
Includes inflation at	2.25% annual rate for first 10 years, then 2.75% all other years
Mortality rates	RP-2000, Scale AA
Experience study dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 (economic)

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>
Global equity	43.5%	7.39%
Risk reduction and mitigation	21.5	1.79
Credit oriented fixed income	15	5.77
Real assets	<u>20</u>	7.35
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. 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 No. 67. Therefore, the 7.75% 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 THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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%, 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	\$ 27,440,343	\$ 18,405,083	\$ 10,910,785
Municipal Police Plan 5	<u>9,827,309</u>	<u>6,679,573</u>	<u>4,105,092</u>
Total	<u>\$ 37,267,652</u>	<u>\$ 25,084,656</u>	<u>\$ 15,015,877</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 15. POST-EMPLOYMENT 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.

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 15. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN (CONTINUED)

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2017, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% 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, 2017, 2016, and 2015 were \$205,194, \$203,335, and \$190,924, respectively, which equal the required contributions for each year.

NOTE 16. NEW ACCOUNTING PRONOUNCEMENT EFFECTIVE FOR THE YEAR ENDED JUNE 30, 2018

The Governmental Accounting Standards Board (GASB) has issued a new accounting pronouncement (*Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*) effective for the year ended June 30, 2018. As a cost-share employer participating in the Retiree Health Care Authority (Plan or "RHCA") (see note 15), the County will be required to include in its June 30, 2018 financial statements, the pro rata share of the Plan's collective "Net Retiree Healthcare Liability". The Plan's "Net Retiree Healthcare Liability" represents the difference between Plan's Total Plan Liability and the Plan's Net Plan Position, reported at the market value of the investment assets.

The amount of the County's pro rata share of the Plan's collective "Net Retiree Healthcare Liability" is currently unknown. However, the amount to be included in the District's June 30, 2018 financial statements, is expected to be material.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 17. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS

GASB has issued the following statements, which are applicable in future years. At this time, management has not determined the impact, if any, on the County.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. This standard requires the unfunded liability of the Retiree Healthcare Authority be included in the cost-share employer's financial statements (on a pro-rata basis). Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. See also Note 16.

In March 2016, GASB Statement No. 81 *Irrevocable Split-Interest Agreements* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged.

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

In January 2017, GASB Statement No. 84, *Fiduciary Activities* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

In March 2017, GASB Statement No. 85, *Omnibus 2017* was issued. Effective Date: The provisions of this Statement are effective for periods beginning after June 15, 2017. Earlier application is encouraged.

In May 2017, GASB Statement No. 86, *Certain Debt Extinguishment Issues* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

In June 2017, GASB Statement No. 87, *Leases* was issued. Effective Date: For reporting periods beginning after December 15, 2019.

NOTE 18. TAX ABATEMENTS

Abatements of Other Governments. The County is subject to tax abatements granted by the Board of Commissioners and the City of Roswell through the Industrial Revenue Bond Act. This program has the stated purposes of promoting industry and trade other than retail trade in the county and municipalities.

Industrial Revenue Bonds. Under the Industrial Revenue Bond Act [3-32 NMSA 1978], the Board of Commissioners or the City Council can vote to induce an industrial revenue bond in order to induce a manufacturing, industrial, or commercial enterprise to locate or expand in that region, by financing a specified project. The County or the City may include in the agreement a stipulation of an amount or a percentage reduction of property taxes, which can be as much as 100%. This reduction or exemption is applicable for the life of the bond issue, not to exceed 30 years from the date the bonds were issued, and is a significant benefit for borrowers that would not otherwise qualify for a property tax exemption under other constitutional or statutory provisions. Information relevant to disclosure of those programs for the fiscal year ended June 30, 2017 are presented on the following pages:

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 18. TAX ABATEMENTS (CONTINUED)

Agency Number	#5003	#5003
Agency Name	Chaves County	Chaves County
Agency Type	County Government	County Government
Tax Abatement Agreement Name	Roswell Solar Series 2015A	Anderson Wind Farm Series 2012
Recipient(s) of Tax Abatement	Roswell Solar LLC	Anderson Wind Farm
Parent company(ies) of recipient(s) of tax abatement	Roswell Solar LLC	Anderson Wind Farm
Tax abatement program (name and brief description)	Taxable Industrial Revenue Bonds	Taxable Industrial Revenue Bonds
Specific Tax(es) Being Abated	Property Tax	Property Tax
Legal authority under which tax abatement agreement was entered into	County Industrial Revenue Bond Act, Sections 4-59-1 to 4-59-16, NMSA 1978	County Industrial Revenue Bond Act, Sections 4-59-1 to 4-59-16, NMSA 1978
Criteria that make a recipient eligible to receive a tax abatement	Providing electrical energy and PILOT direct funds	Providing electrical energy and PILOT direct funds
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	Taxes are abated to a total reduction of Ad-Valorem Tax.	Taxes are abated to a total reduction of Ad-Valorem Tax.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	Net personal and real capital asset costs less depreciation times tax rates	Net personal and real capital asset costs less depreciation times tax rates
Are there provisions for recapturing abated taxes? (Yes or No)	No	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A	N/A
List each specific commitment made by the recipient of the abatement.	Construction of Solar Panels North East of Roswell. Will provide 70 Mega watts of Power to the Utility electrical Grid.	Construction of wind generators providing electrical power to the local grid.
Gross dollar amount, on an accrual basis, by which the abating agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Property tax: \$791,270	Property tax: \$69,463
For any Payments in Lieu of Taxes (PILOTS) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	NMSA §4-59 County Industrial Revenue Bond Act. Paid to the County \$396,000 annually.	NMSA §4-59 County Industrial Revenue Bond Act. Paid to the County \$15,000 annually.
For any Payments in Lieu of Taxes (PILOTS) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$396,000	\$15,000
For any Payments in Lieu of Taxes (PILOTS) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	N/A	N/A
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A	N/A
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency	Yes, ENMU, State of New Mexico, Roswell Independent School District	Yes, ENMU, State of New Mexico, Lake Arthur Municipal Schools
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None Omitted	None Omitted

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 18. TAX ABATEMENTS (CONTINUED)

Agency Number	#5003	#5003
Agency Name	Chaves County	Chaves County
Agency Type	County Government	County Government
Tax Abatement Agreement Name	AC Nutrition Series 2000	San Juan Mesa Wind Series 2005
Recipient(s) of Tax Abatement	AC Nutrition	San Juan Mesa Wind Farm
Parent company(ies) of recipient(s) of tax abatement	Standard Nutrition	NRG Energy, Inc.
Tax abatement program (name and brief description)	Taxable Industrial Revenue Bonds	Taxable Industrial Revenue Bonds
Specific Tax(es) Being Abated	Property Tax	Property Tax
Legal authority under which tax abatement agreement was entered into	County Industrial Revenue Bond Act, Sections 4-59-1 to 4-59-16, NMSA 1978	County Industrial Revenue Bond Act, Sections 4-59-1 to 4-59-16, NMSA 1978
Criteria that make a recipient eligible to receive a tax abatement	Providing agricultural nutrition	Providing electrical energy and PILOT direct funds
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	Taxes are abated to a total reduction of Ad-Valorem Tax	Taxes are abated to a total reduction of Ad-Valorem Tax
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	Net personal and real capital asset costs less depreciation times tax rates	Net personal and real capital asset costs less depreciation times tax rates
Are there provisions for recapturing abated taxes? (Yes or No)	No	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture	N/A	N/A
List each specific commitment made by the recipient of the abatement	Construction of a more efficient animal nutrition facility servicing the agricultural area	The construction of a wind farm and supporting towers rotors, nacelles equipment for generating and transporting electricity
Gross dollar amount, on an accrual basis, by which the abating agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Property tax: \$4,470	Property tax: \$65,117
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	N/A	NMSA §4-59 County Industrial Revenue Bond Act. Paid to the County \$25,000 annually.
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$0	\$25,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	N/A	N/A
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A	N/A
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency	Yes, ENMU, State of New Mexico, Roswell Independent School District, Soil & Water Conservation	Yes, State of New Mexico, Elida Public Schools
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None Omitted	None Omitted

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
JUNE 30, 2017**

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 (CONTINUED)
JUNE 30, 2017**

Modified Approach for County Streets Infrastructure Capital Assets (Continued)

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:

Condition	RSL Range	2015-16 % of Road	2012-13 % of Road
Excellent - Very Good	20 - 10	3.92%	70.91%
Above average - Good	10 - 8	73.89%	11.97%
Average	8 - 6	16.28%	10.02%
Below average - Poor	6 - 4	4.42%	2.91%
Very poor - Needs immediate work	4 - 0	1.49%	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 2017, 27.19 miles were chip sealed utilizing Local Government Road Fund Program funding in the amount of \$556,327 an additional 8.00 miles were chip sealed utilizing County Funds in the amount of \$122,898. The remaining 33.81 miles were carried over into fiscal year 2018.

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:

Fiscal Year	Estimated Miles	Actual Miles	Estimated Expenditures	Actual Expenditures
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	64.34	1,330,653	1,004,275
2014/2015	64	40.29	1,084,833	934,629
2015/2016	88	80.54	1,547,070	1,727,689
2016/2017	101.5	35.19	1,427,312	679,225
2017/2018	135.31	N/A	2,611,706	N/A

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PENSION PLAN
FOR THE YEARS ENDED JUNE 30, 2017, 2016, AND 2015
LAST 10 FISCAL YEARS* (UNAUDITED)**

	Fiscal Year Measurement Date	2017 2016	2016 2015	2015 2014
Municipal General Plan				
County's proportion of the net pension liability		1.15200%	1.13000%	1.08990%
County's proportionate share of the net pension liability		\$ 18,405,083	\$ 11,347,999	\$ 8,502,390
County's covered employee payroll		\$ 8,135,052	\$ 7,319,075	\$ 6,948,721
County's proportionate share of the net pension liability as a percentage of its covered employee payroll		226.24%	155.05%	122.36%
Municipal Police Plan				
County's proportion of the net pension liability		0.90530%	0.87740%	0.77530%
County's proportionate share of the net pension liability		\$ 6,679,573	\$ 4,219,031	\$ 2,527,394
County's covered employee payroll		\$ 1,932,311	\$ 1,720,334	\$ 1,493,108
County's proportionate share of the net pension liability as a percentage of its covered employee payroll		345.68%	245.24%	169.27%
County Total				
County's proportionate share of the net pension liability		\$ 25,084,656	\$ 15,567,030	\$ 11,029,784
County's covered employee payroll		\$ 10,067,363	\$ 9,039,409	\$ 8,441,829
County's proportionate share of the net pension liability as a percentage of its covered employee payroll		249.17%	172.21%	130.66%
Plan fiduciary net position as a percentage of total pension liability		61.58%	76.99%	81.29%

* The amounts presented were determined as of June 30. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

See notes to required supplementary information.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PENSION PLAN
FOR THE YEARS ENDED JUNE 30, 2017, 2016, AND 2015
LAST 10 FISCAL YEARS* (UNAUDITED)**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Municipal General Plan			
Contractually required contributions	\$ 980,274	\$ 943,634	\$ 881,948
Contributions in relation to contractually required contributions	<u>980,274</u>	<u>943,634</u>	<u>881,948</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	\$ 8,135,052	\$ 7,830,984	\$ 7,319,075
Contributions as a percentage of covered employee payroll	12.05%	12.05%	12.05%
Municipal Police Plan			
Contractually required contributions	\$ 365,207	\$ 341,220	\$ 325,143
Contributions in relation to contractually required contributions	<u>365,207</u>	<u>341,220</u>	<u>325,143</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	\$ 1,932,311	\$ 1,805,398	\$ 1,720,334
Contributions as a percentage of covered employee payroll	18.90%	18.90%	18.90%
County Total			
Contractually required contributions	\$ 1,345,481	\$ 1,284,854	\$ 1,207,091
Contributions in relation to contractually required contributions	<u>1,345,481</u>	<u>1,284,854</u>	<u>1,207,091</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	\$ 10,067,362	\$ 9,636,382	\$ 9,039,409
Contributions as a percentage of covered employee payroll	13.36%	13.33%	13.35%

* The amounts presented were determined as of June 30. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

See notes to required supplementary information.

STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2017

NOTE 1. PENSION PLAN SCHEDULES

Changes of benefit terms. The PERA and COLA retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CAFR. <https://www.saonm.org>

Changes of benefit assumptions. The PERA Annual Actuarial Valuations as of the June 2016 report is available at <http://www.nmpera.org>.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 971,297	\$ 16,555	\$ 39,984	\$ 1,027,836
Cash and cash equivalents - restricted	-	1,000,000	-	1,000,000
Investments	8,771,680	2,804,369	-	11,576,049
Investments - restricted	-	-	-	-
Receivables	449,984	389,217	-	839,201
Inventory	-	-	-	-
Prepaid items	35,980	-	-	35,980
Interfund advances receivable	11,216	-	150,000	161,216
Total assets	<u>\$ 10,240,157</u>	<u>\$ 4,210,141</u>	<u>\$ 189,984</u>	<u>\$ 14,640,282</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 289,422	\$ -	\$ 154,471	\$ 443,893
Accrued payroll	57,382	-	-	57,382
Unearned revenues	-	-	-	-
Interfund advances payable	11,216	150,000	-	161,216
Total liabilities	<u>358,020</u>	<u>150,000</u>	<u>154,471</u>	<u>662,491</u>
Deferred inflows of resources				
Unavailable revenues	<u>79,011</u>	<u>-</u>	<u>-</u>	<u>79,011</u>
Fund balances				
Nonspendable	35,980	-	-	35,980
Restricted	8,307,840	4,060,141	-	12,367,981
Committed	1,459,306	-	35,513	1,494,819
Unassigned	-	-	-	-
Total fund balances	<u>9,803,126</u>	<u>4,060,141</u>	<u>35,513</u>	<u>13,898,780</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,240,157</u>	<u>\$ 4,210,141</u>	<u>\$ 189,984</u>	<u>\$ 14,640,282</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 1,400,823	\$ -	\$ -	\$ 1,400,823
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	542,319	2,324,521	-	2,866,840
Other taxes	309,018	-	-	309,018
State grants and contributions	2,342,099	-	-	2,342,099
Federal grants and contributions	67,156	-	-	67,156
Charges for services	74,656	-	-	74,656
Licenses and fees	125,932	-	-	125,932
Investment income	929	-	-	929
Other	248,694	-	-	248,694
Total revenues	<u>5,111,626</u>	<u>2,324,521</u>	<u>-</u>	<u>7,436,147</u>
Expenditures				
Current				
General government	330,745	-	-	330,745
Public safety	1,889,747	-	154,471	2,044,218
Public works	947,894	-	-	947,894
Culture and recreation	-	-	-	-
Health and welfare	259,765	-	-	259,765
Capital outlay	1,756,937	-	950,064	2,707,001
Debt service				
Principal	103,293	1,140,000	-	1,243,293
Interest and fees	35,533	143,023	-	178,556
Total expenditures	<u>5,323,914</u>	<u>1,283,023</u>	<u>1,104,535</u>	<u>7,711,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(212,288)</u>	<u>1,041,498</u>	<u>(1,104,535)</u>	<u>(275,325)</u>
Other financing sources (uses)				
Transfers in	35,000	1,282,648	1,128,818	2,446,466
Transfers out	(53,818)	(2,432,648)	-	(2,486,466)
Total other financing sources (uses)	<u>(18,818)</u>	<u>(1,150,000)</u>	<u>1,128,818</u>	<u>(40,000)</u>
Change in fund balances	(231,106)	(108,502)	24,283	(315,325)
Fund balances, beginning of year	<u>10,034,232</u>	<u>4,168,643</u>	<u>11,230</u>	<u>14,214,105</u>
Fund balances, end of year	<u>\$ 9,803,126</u>	<u>\$ 4,060,141</u>	<u>\$ 35,513</u>	<u>\$ 13,898,780</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS
JUNE 30, 2017**

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)

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS
JUNE 30, 2017**

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 -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Farm and Range	Recreation	Dunken Fire District	East Grand Plains Fire District
ASSETS				
Cash and cash equivalents	\$ 51,323	\$ 3,161	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	-	274,648	232,898
Investments - restricted	-	-	-	-
Receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	2,743	4,386
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 51,323</u>	<u>\$ 3,161</u>	<u>\$ 277,391</u>	<u>\$ 237,284</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,373	\$ 3,352
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,373</u>	<u>3,352</u>
Deferred inflows of resources				
Unavailable revenues	-	-	-	-
Fund balances				
Nonspendable	-	-	2,743	4,386
Restricted	51,323	3,161	273,275	229,546
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>51,323</u>	<u>3,161</u>	<u>276,018</u>	<u>233,932</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,323</u>	<u>\$ 3,161</u>	<u>\$ 277,391</u>	<u>\$ 237,284</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	373,957	301,197	561,832	273,769
Investments - restricted	-	-	-	-
Receivables	-	-	2,028	5,348
Inventory	-	-	-	-
Prepaid items	3,272	4,426	3,786	5,143
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 377,229</u>	<u>\$ 305,623</u>	<u>\$ 567,646</u>	<u>\$ 284,260</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 3,697	\$ 15,268	\$ 22,484	\$ 16,339
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	11,216
Total liabilities	<u>3,697</u>	<u>15,268</u>	<u>22,484</u>	<u>27,555</u>
Deferred inflows of resources				
Unavailable revenues	-	-	-	-
Fund balances				
Nonspendable	3,272	4,426	3,786	5,143
Restricted	370,260	285,929	541,376	251,562
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>373,532</u>	<u>290,355</u>	<u>545,162</u>	<u>256,705</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 377,229</u>	<u>\$ 305,623</u>	<u>\$ 567,646</u>	<u>\$ 284,260</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Rio Felix Fire District	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 5,000	\$ 24,371
Cash and cash equivalents - restricted	-	-	-	-
Investments	102,454	94,252	2,918,415	-
Investments - restricted	-	-	-	-
Receivables	-	-	61,270	-
Inventory	-	-	-	-
Prepaid items	2,632	3,064	-	-
Interfund advances receivable	-	-	11,216	-
Total assets	<u>\$ 105,086</u>	<u>\$ 97,316</u>	<u>\$ 2,995,901</u>	<u>\$ 24,371</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 679	\$ 2,198	\$ -	\$ 1,706
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>679</u>	<u>2,198</u>	<u>-</u>	<u>1,706</u>
Deferred inflows of resources				
Unavailable revenues	-	-	-	-
Fund balances				
Nonspendable	2,632	3,064	-	-
Restricted	101,775	92,054	2,995,901	22,665
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>104,407</u>	<u>95,118</u>	<u>2,995,901</u>	<u>22,665</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 105,086</u>	<u>\$ 97,316</u>	<u>\$ 2,995,901</u>	<u>\$ 24,371</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Public Safety Grant	DWI Grant	Sheriff Forfeiture	Correction
ASSETS				
Cash and cash equivalents	\$ 25,298	\$ 130,675	\$ 21,783	\$ 206,180
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	-	-	-
Investments - restricted	-	-	-	-
Receivables	8,218	360	-	27,750
Inventory	-	-	-	-
Prepaid items	-	586	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 33,516</u>	<u>\$ 131,621</u>	<u>\$ 21,783</u>	<u>\$ 233,930</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7	\$ 3,645	\$ -	\$ 99
Accrued payroll	1,917	5,801	-	4,965
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>1,924</u>	<u>9,446</u>	<u>-</u>	<u>5,064</u>
Deferred inflows of resources				
Unavailable revenues	-	-	-	-
Fund balances				
Nonspendable	-	586	-	-
Restricted	31,592	121,589	-	228,866
Committed	-	-	21,783	-
Unassigned	-	-	-	-
Total fund balances	<u>31,592</u>	<u>122,175</u>	<u>21,783</u>	<u>228,866</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,516</u>	<u>\$ 131,621</u>	<u>\$ 21,783</u>	<u>\$ 233,930</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Environmental	Flood Control	Road Special Construction	Clerk Recording and Filing
ASSETS				
Cash and cash equivalents	\$ 17,979	\$ -	\$ -	\$ 166,682
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	2,352,980	491,764	-
Investments - restricted	-	-	-	-
Receivables	30,635	96,809	-	-
Inventory	-	-	-	-
Prepaid items	205	5,548	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 48,819</u>	<u>\$ 2,455,337</u>	<u>\$ 491,764</u>	<u>\$ 166,682</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 20,913	\$ 37,197	\$ -	\$ 1,619
Accrued payroll	5,064	26,043	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>25,977</u>	<u>63,240</u>	<u>-</u>	<u>1,619</u>
Deferred inflows of resources				
Unavailable revenues	-	79,011	-	-
Fund balances				
Nonspendable	205	5,548	-	-
Restricted	22,637	2,307,538	-	-
Committed	-	-	491,764	165,063
Unassigned	-	-	-	-
Total fund balances	<u>22,842</u>	<u>2,313,086</u>	<u>491,764</u>	<u>165,063</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 48,819</u>	<u>\$ 2,455,337</u>	<u>\$ 491,764</u>	<u>\$ 166,682</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Property Valuation	Other Grants and Contracts	CDBG	Restricted Health Services
ASSETS				
Cash and cash equivalents	\$ -	\$ 216,845	\$ 102,000	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	793,514	-	-	-
Investments - restricted	-	-	-	-
Receivables	-	217,566	-	-
Inventory	-	-	-	-
Prepaid items	189	-	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 793,703</u>	<u>\$ 434,411</u>	<u>\$ 102,000</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 399	\$ 158,447	\$ -	\$ -
Accrued payroll	12,419	1,173	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>12,818</u>	<u>159,620</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenues	-	-	-	-
Fund balances				
Nonspendable	189	-	-	-
Restricted	-	274,791	102,000	-
Committed	780,696	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>780,885</u>	<u>274,791</u>	<u>102,000</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 793,703</u>	<u>\$ 434,411</u>	<u>\$ 102,000</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Totals
ASSETS	
Cash and cash equivalents	\$ 971,297
Cash and cash equivalents - restricted	-
Investments	8,771,680
Investments - restricted	-
Receivables	449,984
Inventory	-
Prepaid items	35,980
Interfund advances receivable	11,216
Total assets	\$ 10,240,157
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 289,422
Accrued payroll	57,382
Unearned revenues	-
Interfund advances payable	11,216
Total liabilities	358,020
 Deferred inflows of resources	
Unavailable revenues	79,011
 Fund balances	
Nonspendable	35,980
Restricted	8,307,840
Committed	1,459,306
Unassigned	-
Total fund balances	9,803,126
 Total liabilities, deferred inflows of resources and fund balances	 \$ 10,240,157

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Farm and Range	Recreation	Dunken Fire District	East Grand Plains Fire District
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
Other taxes	-	-	-	-
State grants and contributions	-	-	71,703	162,513
Federal grants and contributions	67,156	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	47
Total revenues	<u>67,156</u>	<u>-</u>	<u>71,703</u>	<u>162,560</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	24,669	90,785
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	51,250	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	36,870
Interest and fees	-	-	-	10,149
Total expenditures	<u>51,250</u>	<u>-</u>	<u>24,669</u>	<u>137,804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,906</u>	<u>-</u>	<u>47,034</u>	<u>24,756</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(2,000)	(4,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(4,000)</u>
Change in fund balances	15,906	-	45,034	20,756
Fund balances, beginning of year	<u>35,417</u>	<u>3,161</u>	<u>230,984</u>	<u>213,176</u>
Fund balances, end of year	<u>\$ 51,323</u>	<u>\$ 3,161</u>	<u>\$ 276,018</u>	<u>\$ 233,932</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
Other taxes	-	-	-	-
State grants and contributions	135,405	166,943	193,601	331,337
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	2,358	95	9,673	3,631
Total revenues	<u>137,763</u>	<u>167,038</u>	<u>203,274</u>	<u>334,968</u>
Expenditures				
Current				
General government	-	-	63	1,122
Public safety	98,872	220,440	106,734	194,358
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	7,217	-	52,353
Interest and fees	-	3,699	-	20,109
Total expenditures	<u>98,872</u>	<u>231,356</u>	<u>106,797</u>	<u>267,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,891</u>	<u>(64,318)</u>	<u>96,477</u>	<u>67,026</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(3,000)	(4,000)	(5,000)	(4,000)
Total other financing sources (uses)	<u>(3,000)</u>	<u>(4,000)</u>	<u>(5,000)</u>	<u>(4,000)</u>
Change in fund balances	35,891	(68,318)	91,477	63,026
Fund balances, beginning of year	<u>337,641</u>	<u>358,673</u>	<u>453,685</u>	<u>193,679</u>
Fund balances, end of year	<u>\$ 373,532</u>	<u>\$ 290,355</u>	<u>\$ 545,162</u>	<u>\$ 256,705</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Rio Felix Fire District	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	359,452	-
Other taxes	-	-	-	-
State grants and contributions	50,449	83,634	-	41,000
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	929	-
Other	-	-	-	-
Total revenues	<u>50,449</u>	<u>83,634</u>	<u>360,381</u>	<u>41,000</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	287,082	46,454	-	33,782
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	696,610	-
Debt service				
Principal	-	6,853	-	-
Interest and fees	-	1,576	-	-
Total expenditures	<u>287,082</u>	<u>54,883</u>	<u>696,610</u>	<u>33,782</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(236,633)</u>	<u>28,751</u>	<u>(336,229)</u>	<u>7,218</u>
Other financing sources (uses)				
Transfers in	-	-	35,000	-
Transfers out	(1,000)	(2,000)	-	-
Total other financing sources (uses)	<u>(1,000)</u>	<u>(2,000)</u>	<u>35,000</u>	<u>-</u>
Change in fund balances	(237,633)	26,751	(301,229)	7,218
Fund balances, beginning of year	<u>342,040</u>	<u>68,367</u>	<u>3,297,130</u>	<u>15,447</u>
Fund balances, end of year	<u>\$ 104,407</u>	<u>\$ 95,118</u>	<u>\$ 2,995,901</u>	<u>\$ 22,665</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Public Safety Grant	DWI Grant	Sheriff Forfeiture	Correction
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
Other taxes	-	-	-	-
State grants and contributions	18,657	301,419	-	156,217
Federal grants and contributions	-	-	-	-
Charges for services	3,558	-	-	-
Licenses and fees	-	125,932	-	-
Investment income	-	-	-	-
Other	-	80	-	-
Total revenues	<u>22,215</u>	<u>427,431</u>	<u>-</u>	<u>156,217</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	13,268	453,861	-	125,730
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>13,268</u>	<u>453,861</u>	<u>-</u>	<u>125,730</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,947</u>	<u>(26,430)</u>	<u>-</u>	<u>30,487</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 balances	8,947	(26,430)	-	30,487
Fund balances, beginning of year	<u>22,645</u>	<u>148,605</u>	<u>21,783</u>	<u>198,379</u>
Fund balances, end of year	<u>\$ 31,592</u>	<u>\$ 122,175</u>	<u>\$ 21,783</u>	<u>\$ 228,866</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Environmental	Flood Control	Road Special Construction	Clerk Recording and Filing
Revenues				
Property taxes	\$ -	\$ 1,400,823	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	182,867	-	-	-
Other taxes	-	-	-	-
State grants and contributions	-	6,078	-	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	71,098
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	101,874	130,936	-
Total revenues	<u>182,867</u>	<u>1,508,775</u>	<u>130,936</u>	<u>71,098</u>
Expenditures				
Current				
General government	-	-	-	58,110
Public safety	-	986	-	-
Public works	-	947,894	-	-
Culture and recreation	-	-	-	-
Health and welfare	208,515	-	-	-
Capital outlay	-	455,659	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>208,515</u>	<u>1,404,539</u>	<u>-</u>	<u>58,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,648)</u>	<u>104,236</u>	<u>130,936</u>	<u>12,988</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 balances	(25,648)	104,236	130,936	12,988
Fund balances, beginning of year	<u>48,490</u>	<u>2,208,850</u>	<u>360,828</u>	<u>152,075</u>
Fund balances, end of year	<u>\$ 22,842</u>	<u>\$ 2,313,086</u>	<u>\$ 491,764</u>	<u>\$ 165,063</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Property Valuation	Other Grants and Contracts	CDBG	Restricted Health Services
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
Other taxes	309,018	-	-	-
State grants and contributions	-	623,143	-	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>309,018</u>	<u>623,143</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
General government	271,450	-	-	-
Public safety	-	192,726	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	604,668	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>271,450</u>	<u>797,394</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,568</u>	<u>(174,251)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(28,818)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,818)</u>
Change in fund balances	37,568	(174,251)	-	(28,818)
Fund balances, beginning of year	<u>743,317</u>	<u>449,042</u>	<u>102,000</u>	<u>28,818</u>
Fund balances, end of year	<u>\$ 780,885</u>	<u>\$ 274,791</u>	<u>\$ 102,000</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Totals
Revenues	
Property taxes	\$ 1,400,823
Gasoline and motor vehicles taxes	-
Gross receipts tax	542,319
Other taxes	309,018
State grants and contributions	2,342,099
Federal grants and contributions	67,156
Charges for services	74,656
Licenses and fees	125,932
Investment income	929
Other	248,694
Total revenues	5,111,626
Expenditures	
Current	
General government	330,745
Public safety	1,889,747
Public works	947,894
Culture and recreation	-
Health and welfare	259,765
Capital outlay	1,756,937
Debt service	
Principal	103,293
Interest and fees	35,533
Total expenditures	5,323,914
Excess (deficiency) of revenues over (under) expenditures	(212,288)
Other financing sources (uses)	
Transfers in	35,000
Transfers out	(53,818)
Total other financing sources (uses)	(18,818)
Change in fund balances	(231,106)
Fund balances, beginning of year	10,034,232
Fund balances, end of year	\$ 9,803,126

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR DEBT SERVICE FUNDS DESCRIPTIONS
JUNE 30, 2017**

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 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 -
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2017**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ 16,555	\$ -	\$ -	\$ 16,555
Cash and cash equivalents - restricted	-	-	1,000,000	1,000,000
Investments	-	2,804,369	-	2,804,369
Investments - restricted	-	-	-	-
Receivables	-	389,217	-	389,217
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 16,555</u>	<u>\$ 3,193,586</u>	<u>\$ 1,000,000</u>	<u>\$ 4,210,141</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	150,000	-	150,000
Total liabilities	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Deferred inflows of resources				
Unavailable revenues	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	16,555	3,043,586	1,000,000	4,060,141
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>16,555</u>	<u>3,043,586</u>	<u>1,000,000</u>	<u>4,060,141</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,555</u>	<u>\$ 3,193,586</u>	<u>\$ 1,000,000</u>	<u>\$ 4,210,141</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDING JUNE 30, 2017**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve	Totals
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	2,324,521	-	2,324,521
Other taxes	-	-	-	-
State grants and contributions	-	-	-	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>2,324,521</u>	<u>-</u>	<u>2,324,521</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	1,140,000	-	-	1,140,000
Interest and fees	143,023	-	-	143,023
Total expenditures	<u>1,283,023</u>	<u>-</u>	<u>-</u>	<u>1,283,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,283,023)</u>	<u>2,324,521</u>	<u>-</u>	<u>1,041,498</u>
Other financing sources (uses)				
Transfers in	1,282,648	-	-	1,282,648
Transfers out	-	(2,432,648)	-	(2,432,648)
Total other financing sources (uses)	<u>1,282,648</u>	<u>(2,432,648)</u>	<u>-</u>	<u>(1,150,000)</u>
Change in fund balances	(375)	(108,127)	-	(108,502)
Fund balances, beginning of year	<u>16,930</u>	<u>3,151,713</u>	<u>1,000,000</u>	<u>4,168,643</u>
Fund balances, end of year	<u>\$ 16,555</u>	<u>\$ 3,043,586</u>	<u>\$ 1,000,000</u>	<u>\$ 4,060,141</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR CAPITAL PROJECTS FUND DESCRIPTION
JUNE 30, 2017**

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 - NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Emergency Capital Outlay</u>
ASSETS	
Cash and cash equivalents	\$ 39,984
Cash and cash equivalents - restricted	-
Investments	-
Investments - restricted	-
Receivables	-
Inventory	-
Prepaid items	-
Interfund advances receivable	<u>150,000</u>
Total assets	<u><u>\$ 189,984</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 154,471
Accrued payroll	-
Unearned revenues	-
Interfund advances payable	<u>-</u>
Total liabilities	<u>154,471</u>
 Deferred inflows of resources	
Unavailable revenues	<u>-</u>
 Fund balances	
Nonspendable	-
Restricted	-
Committed	35,513
Unassigned	<u>-</u>
Total fund balances	<u>35,513</u>
 Total liabilities, deferred inflows of resources and fund balances	
	<u><u>\$ 189,984</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Emergency Capital Outlay</u>
Revenues	
Property taxes	\$ -
Gasoline and motor vehicles taxes	-
Gross receipts tax	-
Other taxes	-
State grants and contributions	-
Federal grants and contributions	-
Charges for services	-
Licenses and fees	-
Investment income	-
Other	-
Total revenues	<u>-</u>
Expenditures	
Current	
General government	-
Public safety	154,471
Public works	-
Culture and recreation	-
Health and welfare	-
Capital outlay	950,064
Debt service	
Principal	-
Interest and fees	-
Total expenditures	<u>1,104,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,104,535)</u>
Other financing sources	
Transfers in	1,128,818
Transfers out	-
Total other financing sources	<u>1,128,818</u>
Change in fund balances	24,283
Fund balances, beginning of year	<u>11,230</u>
Fund balances, end of year	<u><u>\$ 35,513</u></u>

OTHER SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CHAVES COUNTY
AGENCY FUNDS DESCRIPTION
JUNE 30, 2017**

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
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS
AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Balance			Balance
	June 30, 2016	Additions	Deductions	June 30, 2017
Assets				
Cash and cash equivalents	\$ 472,358	\$ 20,083,565	\$ (20,038,693)	\$ 517,230
Taxes receivable	<u>1,459,675</u>	<u>22,106,510</u>	<u>(21,198,010)</u>	<u>2,368,175</u>
Total assets	<u>\$ 1,932,033</u>	<u>\$ 42,190,075</u>	<u>\$ (41,236,703)</u>	<u>\$ 2,885,405</u>
Liabilities				
Deposits held for others	\$ 44,504	\$ 104,862	\$ (90,434)	\$ 58,932
Due to taxing entities	<u>1,887,529</u>	<u>42,085,213</u>	<u>(41,146,269)</u>	<u>2,826,473</u>
Total liabilities	<u>\$ 1,932,033</u>	<u>\$ 42,190,075</u>	<u>\$ (41,236,703)</u>	<u>\$ 2,885,405</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2017**

Banking Institution	Account Type	Total Deposits and Investments	Reconciling Items	Reconciled Balance
James Polk Stone Community Bank	Checking	\$ 5,882,198	\$ (401,111)	\$ 5,481,087
James Polk Stone Community Bank	Checking	8,763	(3,814)	4,949
James Polk Stone Community Bank	Checking	491,764	-	491,764
James Polk Stone Community Bank	Checking	102,000	-	102,000
James Polk Stone Community Bank	Checking	28,818	(28,818)	-
Insight Investment	FHLB	6,357,934	-	6,357,934
Insight Investment	FHLMC	5,571,949	-	5,571,949
Insight Investment	FNMA	12,113,048	-	12,113,048
Insight Investment	FFCB	5,540,405	-	5,540,405
Insight Investment	Corporate	19,104,864	-	19,104,864
Insight Investment	Money Market	23,825	-	23,825
Insight Investment	Treasury Notes	13,782,126	-	13,782,126
Insight Investment	Municipal Securities	2,500,000	(2,500,000)	-
NM State Investment Pool	State Treasurer LGIP	284,885	-	284,885
Pioneer Bank	Checking	2,213	-	2,213
Pioneer Bank	Checking	19,691	(1,366)	18,325
Washington Federal	Money Market	1,613	-	1,613
Wells Fargo/Advisers	Checking	99,793	207	100,000
Wells Fargo/Advisers	Money Market	7,365	-	7,365
Bank of Albuquerque	NMFA Pooled Debt Service Account	478,031	-	478,031
		<u>\$ 72,401,285</u>	<u>\$ (2,934,902)</u>	<u>\$ 69,466,383</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF COLLATERAL PLEDGED
JUNE 30, 2017**

	James Polk Stone Community Bank	Pioneer Bank	Wells Fargo	Insight Investment	Washington Federal	Total
Bank Accounts:						
Checking accounts	\$ 6,513,543	\$ 21,904	\$ 99,793	\$ -	\$ -	\$ 6,635,240
Savings accounts	-	-	7,365	31,666	1,613	40,644
Total amount of deposits	<u>6,513,543</u>	<u>21,904</u>	<u>107,158</u>	<u>31,666</u>	<u>1,613</u>	<u>6,675,884</u>
FDIC coverage	(250,000)	(21,904)	(107,158)	(31,666)	(1,613)	(412,341)
Total uninsured public funds	<u>6,263,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,263,543</u>
Collateral requirements (per 6-10-10 & 6-10-17, NMSA 1978):						
50% of uninsured time and demand accounts	3,131,771	-	-	-	-	3,131,771
Pledged collateral at fair market value:						
	<u>Type</u>	<u>Description</u>	<u>Maturity</u>	<u>CUSIP Number</u>		
	Note	FHLB Qtrly Call Step (1)	8/22/2031	3130A8ZE6	496,465	-
	Note	FHLB Qtrly Call Step (1)	11/25/2031	3130A9X63	997,120	-
	Note	FHLB Qtrly Call Step (1)	12/15/2031	3130AA7M4	997,591	-
	Note	FNMA Qtrly Call Step (1)	2/24/2031	3136G2ZK6	999,545	-
	Note	FNMA Qtrly Call Step (1)	2/24/2031	3136G3AJ4	1,000,000	-
	Bond	NM State Military Institute (1)	6/1/2022	647183BL5	512,137	-
	Note	FHLB Call Quarterly (2)	5/8/2020	3133812C8	-	104,861
	Note	FHLMC Pool 782804 (2)	11/1/2034	31349UDH8	-	73,430
	Note	FNMA PL#BC2636 (2)	11/1/2046	3140EW4W2	-	28,545
		Total collateral			<u>5,002,858</u>	<u>178,291</u>
		Over / (under) secured			<u>\$ 1,871,087</u>	<u>\$ 178,291</u>
					<u>\$ -</u>	<u>\$ -</u>
					<u>\$ 28,545</u>	<u>\$ 2,077,923</u>
Custodial Credit Risk						
Insured	\$ 250,000	\$ 21,904	\$ 107,158	\$ 31,666	\$ 1,613	\$ 412,341
Collateralized with securities held by pledging financial institution's trust department	5,002,858	-	-	-	-	5,002,858
Uninsured and uncollateralized	<u>1,260,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,260,685</u>
Total deposits	<u>\$ 6,513,543</u>	<u>\$ 21,904</u>	<u>\$ 107,158</u>	<u>\$ 31,666</u>	<u>\$ 1,613</u>	<u>\$ 6,675,884</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, 2017

Property taxes receivable, beginning of year	\$ 1,950,679
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year	31,949,701
Adjustments:	
Increases in taxes receivable	280,141
Subtraction of 2006 Taxes Outstanding (7-38-81.1.C NMSA 1978)	<u>(5,276)</u>
Total receivables prior to collections	34,175,245
Collections for fiscal year ended June 30, 2017	<u>(31,987,890)</u>
Property taxes receivable, end of year	<u><u>\$ 2,187,355</u></u>

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

	2007	\$ 2,188
	2008	3,749
	2009	6,049
	2010	5,960
	2011	11,238
	2012	38,886
	2013	51,302
	2014	142,861
	2015	562,855
	2016	<u>1,362,266</u>
Total taxes receivable, net		<u><u>\$ 2,187,355</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE
YEAR ENDED JUNE 30, 2017**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Undistributed at Year End	County Receivable at Year End
Chaves County:							
County Operational Non-Res.							
2007-2015	\$ 41,815,080	\$ 230,419	\$ 41,381,214	\$ 260,670	\$ 41,361,883	\$ -	\$ 99,743
2016	4,985,477	4,831,547	4,831,547	4,779,631	4,769,652	-	153,930
Total	<u>46,800,557</u>	<u>5,061,967</u>	<u>46,212,762</u>	<u>5,040,301</u>	<u>46,131,535</u>	<u>-</u>	<u>253,673</u>
County Operational Res.							
2007-2015	30,954,542	165,110	30,838,846	200,680	30,815,169	-	112,874
2016	3,396,551	3,222,872	3,222,872	3,183,759	3,172,445	-	173,679
Total	<u>34,351,093</u>	<u>3,387,982</u>	<u>34,061,718</u>	<u>3,384,439</u>	<u>33,987,614</u>	<u>-</u>	<u>286,553</u>
Total Chaves County	<u>81,151,650</u>	<u>8,449,948</u>	<u>80,274,480</u>	<u>8,424,740</u>	<u>80,119,149</u>	<u>-</u>	<u>540,225</u>
State of New Mexico:							
State Debt							
2007-2015	11,804,278	71,325	11,722,833	84,249	11,714,891	-	40,606
2016	1,620,442	1,552,770	1,552,770	1,534,936	1,530,535	-	67,672
Total	<u>13,424,720</u>	<u>1,624,095</u>	<u>13,275,603</u>	<u>1,619,185</u>	<u>13,245,426</u>	<u>-</u>	<u>108,278</u>
Cattle							
2007-2015	531,236	789	523,445	1,833	523,445	-	7,751
2016	101,209	97,369	97,369	97,138	97,138	-	3,841
Total	<u>632,445</u>	<u>98,158</u>	<u>620,813</u>	<u>98,971</u>	<u>620,583</u>	<u>-</u>	<u>11,592</u>
Horse							
2007-2015	16,672	94	16,315	131	16,315	-	294
2016	1,882	1,645	1,645	1,631	1,620	-	237
Total	<u>18,554</u>	<u>1,738</u>	<u>17,959</u>	<u>1,762</u>	<u>17,935</u>	<u>-</u>	<u>531</u>
Dairy							
2007-2015	1,326,168	1	1,320,158	543	1,320,158	-	6,010
2016	208,573	201,195	201,195	191,674	191,674	-	7,378
Total	<u>1,534,741</u>	<u>201,196</u>	<u>1,521,353</u>	<u>192,217</u>	<u>1,511,832</u>	<u>-</u>	<u>13,387</u>
Sheep and Goats							
2007-2015	19,178	9	19,177	2	19,168	-	1
2016	2,429	2,397	2,397	2,389	2,389	-	32
Total	<u>21,607</u>	<u>2,407</u>	<u>21,574</u>	<u>2,391</u>	<u>21,558</u>	<u>-</u>	<u>33</u>
Bison							
2007-2015	158	-	158	-	158	-	-
2016	13	13	13	13	13	-	-
Total	<u>171</u>	<u>13</u>	<u>171</u>	<u>13</u>	<u>171</u>	<u>-</u>	<u>-</u>
Ratites							
2007-2015	15	-	15	-	15	-	-
2016	3	3	3	3	3	-	-
Total	<u>18</u>	<u>3</u>	<u>18</u>	<u>3</u>	<u>18</u>	<u>-</u>	<u>-</u>
Llamas							
2007-2015	52	-	51	2	51	-	1
2016	14	14	14	14	13	-	1
Total	<u>67</u>	<u>14</u>	<u>65</u>	<u>15</u>	<u>64</u>	<u>-</u>	<u>2</u>
Total State of New Mexico	<u>15,632,322</u>	<u>1,927,623</u>	<u>15,457,557</u>	<u>1,914,558</u>	<u>15,417,586</u>	<u>-</u>	<u>133,822</u>
Municipalities:							
City of Roswell Non-Res.							
2007-2015	14,936,629	59,807	14,835,068	74,177	14,826,737	-	26,529
2016	1,817,045	1,749,774	1,749,774	1,733,759	1,727,267	-	67,271
Total	<u>16,753,674</u>	<u>1,809,581</u>	<u>16,584,843</u>	<u>1,807,937</u>	<u>16,554,004</u>	<u>-</u>	<u>93,800</u>
City of Roswell Res.							
2007-2015	24,643,167	136,528	24,551,525	168,572	24,533,996	-	89,919
2016	3,099,907	2,941,642	2,941,642	2,910,982	2,901,035	-	158,266
Total	<u>27,743,074</u>	<u>3,078,170</u>	<u>27,493,167</u>	<u>3,079,553</u>	<u>27,435,031</u>	<u>-</u>	<u>248,185</u>
City of Roswell Debt Service							
2007-2015	5,878,359	16,454	5,852,899	21,432	5,850,901	-	10,065
2016	385,824	367,945	367,945	364,269	362,984	-	17,878
Total	<u>6,264,183</u>	<u>384,400</u>	<u>6,220,845</u>	<u>385,701</u>	<u>6,213,885</u>	<u>-</u>	<u>27,943</u>
Town of Lake Arthur Non-Res.							
2007-2015	9,039	89	8,864	106	8,856	-	14
2016	1,194	1,169	1,169	1,160	1,160	-	25
Total	<u>10,233</u>	<u>1,258</u>	<u>10,033</u>	<u>1,266</u>	<u>10,016</u>	<u>-</u>	<u>39</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Undistributed at Year End	County Receivable at Year End
Town of Lake Arthur Res.							
2007-2015	20,287	354	20,121	367	20,059	-	166
2016	2,892	2,555	2,555	2,435	2,422	-	337
Total	23,179	2,909	22,675	2,802	22,481	-	503
Town of Hagerman Non-Res.							
2007-2015	33,453	236	32,882	228	32,798	-	216
2016	5,150	4,936	4,936	4,934	4,886	-	214
Total	38,603	5,172	37,817	5,162	37,685	-	430
Town of Hagerman Res.							
2007-2015	59,226	759	57,976	1,119	57,848	-	1,253
2016	7,684	6,539	6,539	6,304	6,174	-	1,145
Total	66,910	7,297	64,514	7,422	64,023	-	2,398
Town of Dexter Non-Res.							
2007-2015	42,777	852	41,979	920	41,677	-	371
2016	6,268	6,016	6,016	5,985	5,884	-	252
Total	49,045	6,868	47,995	6,905	47,561	-	623
Town of Dexter Res.							
2007-2015	67,000	405	66,678	627	66,652	-	321
2016	8,916	8,458	8,458	8,306	8,269	-	458
Total	75,915	8,863	75,136	8,933	74,922	-	779
Total Municipalities	51,024,817	5,304,518	50,557,026	5,305,682	50,459,606	-	374,700
School Districts:							
ENMU Non-Res.							
2007-2015	3,998,118	23,692	3,956,848	26,549	3,954,924	-	9,794
2016	519,528	503,363	503,363	497,808	496,739	-	16,165
Total	4,517,646	527,055	4,460,211	524,357	4,451,663	-	25,960
ENMU Res.							
2007-2015	4,254,213	24,720	4,236,979	30,223	4,233,596	-	16,859
2016	542,485	514,760	514,760	508,538	506,723	-	27,724
Total	4,796,698	539,480	4,751,740	538,761	4,740,319	-	44,584
ENMU Debt Service							
2007-2015	9,409,413	16,225	9,356,086	17,932	9,352,479	-	9,608
2016	-	-	-	-	-	-	-
Total	9,409,413	16,225	9,356,086	17,932	9,352,479	-	9,608
NM Jr. College Non-Res.							
2007-2015	9,538	-	9,538	-	9,538	-	-
2016	2,933	2,933	2,933	2,933	2,933	-	-
Total	12,470	2,933	12,470	2,933	12,470	-	-
NM Jr. College Res.							
2007-2015	1,126	-	1,126	-	1,126	-	-
2016	134	134	134	134	134	-	-
Total	1,261	134	1,261	134	1,261	-	-
Roswell Ind. Schools Non-Res.							
2007-2015	3,711,119	9,876	3,638,198	10,960	3,637,346	-	3,127
2016	212,775	206,381	206,381	203,857	203,364	-	6,394
Total	3,923,894	216,257	3,844,579	214,817	3,840,710	-	9,521
Roswell Ind. Schools Res.							
2007-2015	3,792,553	6,862	3,787,285	8,351	3,786,318	-	4,535
2016	155,789	148,171	148,171	146,506	146,015	-	7,618
Total	3,948,342	155,033	3,935,456	154,857	3,932,333	-	12,153
Roswell Ind. Schools Debt Service							
2007-2015	53,734,202	342,459	53,425,455	401,296	53,385,236	-	166,962
2016	7,780,267	7,461,696	7,461,696	7,374,695	7,352,924	-	318,571
Total	61,514,469	7,804,156	60,887,151	7,775,991	60,738,160	-	485,533
Artesia Public Schools Non-Res.							
2007-2015	27,815	74	27,568	138	27,566	-	244
2016	4,477	4,371	4,371	4,370	4,370	-	106
Total	32,291	4,444	31,938	4,507	31,935	-	351
Artesia Public Schools Res.							
2007-2015	6,555	24	6,428	15	6,404	-	124
2016	818	765	765	742	742	-	53
Total	7,373	789	7,193	757	7,146	-	177

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Undistributed at Year End	County Receivable at Year End
Artesia Public Schools Debt Service							
2007-2015	499,173	1,454	493,520	2,194	493,077	-	5,577
2016	78,154	75,693	75,693	75,268	75,268	-	2,460
Total	<u>577,327</u>	<u>77,147</u>	<u>569,213</u>	<u>77,463</u>	<u>568,346</u>	-	<u>8,037</u>
Lake Arthur Muni. Schools Non-Res.							
2007-2015	130,130	313	127,291	330	127,289	-	16
2016	10,366	10,334	10,334	10,323	10,321	-	33
Total	<u>140,496</u>	<u>10,647</u>	<u>137,625</u>	<u>10,653</u>	<u>137,610</u>	-	<u>49</u>
Lake Arthur Muni. Schools Res.							
2007-2015	20,357	135	20,221	147	20,210	-	127
2016	1,117	991	991	966	963	-	126
Total	<u>21,473</u>	<u>1,126</u>	<u>21,212</u>	<u>1,113</u>	<u>21,172</u>	-	<u>253</u>
Lake Arthur Muni. Schools Debt Service							
2007-2015	869,955	8,693	861,558	9,302	861,218	-	3,421
2016	431,613	424,159	424,159	422,548	422,279	-	7,454
Total	<u>1,301,568</u>	<u>432,851</u>	<u>1,285,716</u>	<u>431,850</u>	<u>1,283,496</u>	-	<u>10,875</u>
Elida Muni. Schools #27 Non-Res.							
2007-2015	24,092	119	22,084	154	22,084	-	3
2016	1,248	1,238	1,238	1,238	1,238	-	10
Total	<u>25,340</u>	<u>1,357</u>	<u>23,322</u>	<u>1,392</u>	<u>23,322</u>	-	<u>13</u>
Elida Muni. Schools #27 Res.							
2007-2015	1,920	-	1,920	-	1,920	-	-
2016	109	107	107	107	107	-	3
Total	<u>2,030</u>	<u>107</u>	<u>2,027</u>	<u>107</u>	<u>2,027</u>	-	<u>3</u>
Elida Muni. Schools #27 Debt Service.							
2007-2015	90,187	545	87,304	702	87,304	-	16
2016	6,221	6,162	6,162	6,162	6,162	-	59
Total	<u>96,408</u>	<u>6,707</u>	<u>93,466</u>	<u>6,864</u>	<u>93,466</u>	-	<u>74</u>
Elida Muni. Schools #28 Non-Res.							
2007-2015	15,686	0	15,683	52	15,683	-	4
2016	930	891	891	888	888	-	39
Total	<u>16,616</u>	<u>891</u>	<u>16,574</u>	<u>940</u>	<u>16,571</u>	-	<u>43</u>
Elida Muni. Schools #28 Res.							
2007-2015	2,124	-	2,124	23	2,124	-	0
2016	112	107	107	107	107	-	5
Total	<u>2,237</u>	<u>107</u>	<u>2,231</u>	<u>131</u>	<u>2,231</u>	-	<u>5</u>
Elida Muni. Schools #28 Debt Service.							
2007-2015	65,483	0	65,462	349	65,462	-	20
2016	4,781	4,580	4,580	4,568	4,568	-	201
Total	<u>70,264</u>	<u>4,580</u>	<u>70,042</u>	<u>4,916</u>	<u>70,030</u>	-	<u>221</u>
Hagerman Muni. Schools Non-Res.							
2007-2015	203,062	906	200,320	937	200,294	-	252
2016	12,207	11,916	11,916	11,869	11,852	-	291
Total	<u>215,268</u>	<u>12,822</u>	<u>212,236</u>	<u>12,806</u>	<u>212,146</u>	-	<u>542</u>
Hagerman Muni. Schools Res.							
2007-2015	70,007	293	69,574	398	69,551	-	397
2016	3,559	3,145	3,145	3,058	3,011	-	414
Total	<u>73,565</u>	<u>3,438</u>	<u>72,718</u>	<u>3,457</u>	<u>72,562</u>	-	<u>810</u>
Hagerman Muni. Schools Debt Service							
2007-2015	1,941,630	19,783	1,921,768	22,613	1,920,885	-	12,494
2016	264,172	250,303	250,303	247,606	246,261	-	13,869
Total	<u>2,205,802</u>	<u>270,086</u>	<u>2,172,071</u>	<u>270,219</u>	<u>2,167,145</u>	-	<u>26,363</u>
Dexter Cons. Schools Non-Res.							
2007-2015	441,754	773	436,901	1,045	436,821	-	1,935
2016	22,415	21,196	21,196	20,998	20,974	-	1,219
Total	<u>464,169</u>	<u>21,969</u>	<u>458,097</u>	<u>22,043</u>	<u>457,795</u>	-	<u>3,154</u>
Dexter Cons. Schools Res.							
2003-2011	138,301	357	137,782	429	137,739	-	375
2016	5,135	4,803	4,803	4,688	4,670	-	331
Total	<u>143,435</u>	<u>5,160</u>	<u>142,585</u>	<u>5,117</u>	<u>142,409</u>	-	<u>706</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Undistributed at Year End	County Receivable at Year End
Dexter Cons. Schools Debt Service							
2007-2015	6,319,994	37,820	6,250,094	49,212	6,246,135	-	58,104
2016	<u>1,067,257</u>	<u>1,005,802</u>	<u>1,005,802</u>	<u>991,814</u>	<u>989,881</u>	-	<u>61,455</u>
Total	<u>7,387,252</u>	<u>1,043,622</u>	<u>7,255,896</u>	<u>1,041,026</u>	<u>7,236,016</u>	-	<u>119,559</u>
Tatum Muni. Schools Non-Res.							
2007-2015	1,087	-	1,087	-	1,087	-	-
2016	<u>293</u>	<u>293</u>	<u>293</u>	<u>293</u>	<u>293</u>	-	-
Total	<u>1,380</u>	<u>293</u>	<u>1,380</u>	<u>293</u>	<u>1,380</u>	-	-
Tatum Muni. Schools Res.							
2007-2015	240	-	240	-	240	-	-
2016	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	-	-
Total	<u>249</u>	<u>9</u>	<u>249</u>	<u>9</u>	<u>249</u>	-	-
Tatum Muni. Schools Debt Service							
2007-2015	10,874	-	10,874	-	10,874	-	-
2016	<u>4,928</u>	<u>4,928</u>	<u>4,928</u>	<u>4,928</u>	<u>4,928</u>	-	-
Total	<u>15,802</u>	<u>4,928</u>	<u>15,802</u>	<u>4,928</u>	<u>15,802</u>	-	-
Total School Districts	<u>100,924,539</u>	<u>11,164,353</u>	<u>99,840,548</u>	<u>11,130,372</u>	<u>99,632,253</u>	-	<u>758,594</u>
Special Districts:							
Flood Control							
2007-2015	10,666,975	59,135	10,586,794	71,355	10,578,580	-	33,656
2016	<u>1,398,479</u>	<u>1,335,005</u>	<u>1,335,005</u>	<u>1,320,596</u>	<u>1,316,320</u>	-	<u>63,474</u>
Total	<u>12,065,454</u>	<u>1,394,141</u>	<u>11,921,799</u>	<u>1,391,951</u>	<u>11,894,900</u>	-	<u>97,129</u>
Pecos Valley Conservancy District							
2007-2015	16,915,268	150,764	16,795,498	177,354	16,771,153	-	92,829
2016	<u>3,486,576</u>	<u>3,316,310</u>	<u>3,316,310</u>	<u>3,280,248</u>	<u>3,269,275</u>	-	<u>170,266</u>
Total	<u>20,401,843</u>	<u>3,467,074</u>	<u>20,111,809</u>	<u>3,457,603</u>	<u>20,040,427</u>	-	<u>263,095</u>
Chaves County S&W Conservancy Non-Res.							
2007-2015	662,718	4,402	644,007	4,699	643,378	-	1,597
2016	<u>77,310</u>	<u>74,511</u>	<u>74,511</u>	<u>73,660</u>	<u>73,500</u>	-	<u>2,798</u>
Total	<u>740,028</u>	<u>78,913</u>	<u>718,518</u>	<u>78,359</u>	<u>716,878</u>	-	<u>4,395</u>
Chaves County S&W Conservancy Res.							
2007-2015	893,662	4,946	891,409	5,590	890,411	-	2,173
2016	<u>124,953</u>	<u>120,282</u>	<u>120,282</u>	<u>118,507</u>	<u>118,151</u>	-	<u>4,671</u>
Total	<u>1,018,615</u>	<u>125,228</u>	<u>1,011,691</u>	<u>124,098</u>	<u>1,008,561</u>	-	<u>6,844</u>
Upper Hondo S&W Conservancy Non-Res.							
2007-2015	93	-	93	-	93	-	-
2016	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	-	-
Total	<u>104</u>	<u>10</u>	<u>104</u>	<u>10</u>	<u>104</u>	-	-
Upper Hondo S&W Conservancy Res.							
2007-2015	4	-	4	-	4	-	-
2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	-	-
Total	<u>4</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>4</u>	-	-
Hagerman-Dexter S&W Conservancy Non-Res.							
2007-2015	166,256	727	163,890	865	163,860	-	1,076
2016	<u>21,353</u>	<u>19,958</u>	<u>19,958</u>	<u>19,788</u>	<u>19,764</u>	-	<u>1,395</u>
Total	<u>187,609</u>	<u>20,684</u>	<u>183,847</u>	<u>20,653</u>	<u>183,625</u>	-	<u>2,471</u>
Hagerman-Dexter S&W Conservancy Res.							
2007-2015	97,512	755	96,739	868	96,729	-	756
2016	<u>13,960</u>	<u>12,971</u>	<u>12,971</u>	<u>12,773</u>	<u>12,694</u>	-	<u>989</u>
Total	<u>111,472</u>	<u>13,725</u>	<u>109,709</u>	<u>13,641</u>	<u>109,423</u>	-	<u>1,745</u>
Penasco S&W Conservancy							
2007-2015	29,131	54	28,823	44	28,770	-	308
2016	<u>4,109</u>	<u>3,971</u>	<u>3,971</u>	<u>3,908</u>	<u>3,908</u>	-	<u>138</u>
Total	<u>33,239</u>	<u>4,024</u>	<u>32,794</u>	<u>3,953</u>	<u>32,678</u>	-	<u>446</u>
Central Valley S&W Conservancy Non-Res.							
2007-2015	16,170	26	16,149	35	16,149	-	18
2016	<u>1,947</u>	<u>1,935</u>	<u>1,935</u>	<u>1,933</u>	<u>1,933</u>	-	<u>12</u>
Total	<u>18,117</u>	<u>1,961</u>	<u>18,084</u>	<u>1,968</u>	<u>18,082</u>	-	<u>31</u>
Central Valley S&W Conservancy Res.							
2007-2015	4,229	95	4,126	100	4,123	-	101
2016	<u>533</u>	<u>480</u>	<u>480</u>	<u>478</u>	<u>475</u>	-	<u>54</u>
Total	<u>4,762</u>	<u>575</u>	<u>4,606</u>	<u>578</u>	<u>4,598</u>	-	<u>155</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Undistributed at Year End	County Receivable at Year End
Cottonwood-Walnut Creek S&W Conservancy							
2007-2015	103,896	1,006	101,356	1,017	101,356	-	338
2016	9,584	9,422	9,422	9,422	9,422	-	162
Total	<u>113,479</u>	<u>10,428</u>	<u>110,778</u>	<u>10,439</u>	<u>110,778</u>	<u>-</u>	<u>499</u>
Predator Control							
2007-2015	324,278	191	322,068	432	322,044	-	2,111
2016	25,584	24,492	24,492	24,417	24,416	-	1,092
Total	<u>349,861</u>	<u>24,683</u>	<u>346,560</u>	<u>24,848</u>	<u>346,459</u>	<u>-</u>	<u>3,203</u>
Total Special Districts	<u>35,044,589</u>	<u>5,141,447</u>	<u>34,570,302</u>	<u>5,128,102</u>	<u>34,466,518</u>	<u>-</u>	<u>380,014</u>
Grand Total	<u>\$ 283,777,917</u>	<u>\$ 31,987,890</u>	<u>\$ 280,699,912</u>	<u>\$ 31,903,454</u>	<u>\$ 280,095,113</u>	<u>\$ -</u>	<u>\$ 2,187,355</u>

STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF EXPENDITURES OF STATE APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2017

Appropriation Purpose	Original		Reversion Date	Legislative Authority	Expenditures to Date	Remaining Balance
	Appropriation Amount	Appropriation Period				
District 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	9,979	80,931
Hobson Rd Improvements Menominee/US 285	167,428	3/10/2016	6/30/2020	House Bill 219 Ch 81, Sec 24, Par 14	8,786	158,642
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	69,822	65,178
Hobson Rd Improvements, Roswell	512,000	6/17/2015	6/30/2019	Senate Bill 1 Ch 3, Sec 33, Par 13	48,378	463,622
Hobson Rd Improvements, Roswell	200,000	6/24/2014	6/30/2018	House Bill 55 Ch 66, Sec 25, Par 18	140,345	59,655
Solid Waste Convenience Ctrs Compactors	101,000	6/24/2014	6/30/2018	House Bill 55 Ch 66, Sec 16, Par 8	101,000	-
Roswell JOY Center Equip	4,010	3/11/2014	6/30/2018	Senate Bill 53 Ch 65 Section 10 Par A	4,010	-
Roswell JOY Center Improve Code	67,240	3/11/2014	6/30/2018	Senate Bill 53 Ch 65 Section 10 Par A	55,585	11,655
Roswell Joy Center Meals Equipment	11,200	3/11/2014	6/30/2018	Senate Bill 53 Ch 65 Section 10 Par A	11,200	-
Hagerman/Dexter Senior Center Vehicles	43,700	3/10/2016	6/30/2021	Senate Bill 122 Ch 82 Section 10 Par A	-	43,700
Lake Arthur Senior Center Vehicles	43,700	3/10/2016	6/30/2021	Senate Bill 122 Ch 82 Section 10 Par A	-	43,700
Roswell Senior Center Vehicles	<u>300,200</u>	3/10/2016	6/30/2021	Senate Bill 122 Ch 82 Section 10 Par A	<u>-</u>	<u>300,200</u>
Total	\$ 1,786,388				\$ 559,105	\$ 1,227,283

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2017**

Agreement Number	Participants	Parties Responsible for Operations	Description	Beginning and Ending Dates
	New Mexico Counties	NM Association of Counties	Creation and operation of a worker's compensation fund	7/01/87 - indefinite
	New Mexico Counties	NM Association of Counties	To provide a multi-line fund for property and casualty insurance	7/01/87 - indefinite
A-84-83	Chaves County and Otero County	Chaves County and Otero County	Construction and maintenance of County roads	10/19/84 - indefinite
A-90-15	Chaves County and City of Roswell	Chaves County and City of Roswell	Coordinating control of all disasters within their respective jurisdictions	4/12/90 - indefinite
A-95-77	NM State Highway Department; SNMEDD; SEPRO	NM State Highway Department	Data collection requirements of the Intermodal Surface Transportation	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	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 County	Chaves County	The control of timber, grass and woodland fires in and adjacent to developed areas	9/13/04 - indefinite
A-05-15	City of Roswell and Chaves County	Pecos Valley Regional Communication Center District	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	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

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
JUNE 30, 2017**

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

STATISTICAL SECTION

**STATE OF NEW MEXICO
CHAVES COUNTY
STATISTICAL SECTION
JUNE 30, 2017**

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position					
Net investment in capital assets	\$ 105,441,719	\$ 105,759,730	\$ 104,316,888	\$ 93,963,305	\$ 92,643,379
Restricted	65,792,872	64,183,013	64,172,880	69,146,304	74,179,207
Unrestricted (deficit)	<u>(10,959,240)</u>	<u>(6,995,002)</u>	<u>(6,985,709)</u>	<u>13,029,574</u>	<u>8,662,048</u>
Total net position	<u><u>\$ 160,275,351</u></u>	<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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position					
Net investment in capital assets	\$ 116,611,132	\$ 151,171,973	\$ 96,045,467	\$ 94,416,903	\$ 93,700,837
Restricted	70,373,339	70,667,370	71,121,792	67,424,184	79,622,371
Unrestricted	<u>15,141,356</u>	<u>15,677,905</u>	<u>13,292,772</u>	<u>13,045,032</u>	<u>9,483,883</u>
Total net position	<u><u>\$ 202,125,827</u></u>	<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>

Note: During the fiscal year ended June 30, 2015, the County implemented GASB 68. The portion of unrestricted (deficit) net position directly related to GASB 68 was \$(15,865,690), \$(14,073,548), and \$(14,299,921) for the years ended June 30, 2017, 2016, and 2015, respectively.

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 10 FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
General government	\$ 7,417,325	\$ 7,847,105	\$ 8,202,300	\$ 8,290,451	\$ 8,179,487
Public safety	15,915,084	12,986,788	11,802,943	10,996,637	11,524,608
Public works	8,512,710	7,737,892	6,559,759	7,075,627	6,963,017
Culture and recreation	110,727	83,037	127,301	133,051	134,673
Health and welfare	4,312,294	4,362,604	3,873,800	3,181,442	3,551,116
Interest on long-term debt	226,078	356,958	339,722	385,090	301,387
Total governmental activities expenses	<u>36,494,218</u>	<u>33,374,384</u>	<u>30,905,825</u>	<u>30,062,298</u>	<u>30,654,288</u>
Program Revenues					
Charges for services:					
General government	\$ 1,961,657	1,642,378	1,331,631	1,389,299	1,569,190
Public safety	178,479	111,893	113,992	102,098	173,333
Public works	120,151	39,181	96,341	38,676	144,274
Operating grants and contributions	2,394,814	2,866,897	2,118,192	2,252,093	2,409,845
Capital grants and contributions	956,137	1,064,629	2,193,546	933,006	472,944
Total program revenues	<u>5,611,238</u>	<u>5,724,978</u>	<u>5,853,702</u>	<u>4,715,172</u>	<u>4,769,586</u>
Net (Expense)/Revenue	<u>\$ (30,882,980)</u>	<u>\$ (27,649,406)</u>	<u>\$ (25,052,123)</u>	<u>\$ (25,347,126)</u>	<u>\$ (25,884,702)</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
EXPENSES, PROGRAM REVENUES AND NET (EXPENSE)/REVENUE (CONTINUED)
LAST 10 FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
General government	\$ 11,772,859	\$ 9,064,603	\$ 6,755,562	\$ 8,483,410	\$ 8,774,195
Public safety	11,515,590	10,917,930	9,336,016	8,809,184	8,749,934
Public works	6,964,010	4,005,389	9,163,682	6,774,741	5,136,765
Culture and recreation	122,896	108,600	102,480	147,500	150,000
Health and welfare	6,333,835	7,893,800	6,409,068	8,141,069	6,105,937
Interest on long-term debt	307,958	341,481	395,601	421,290	737,587
Total governmental activities expenses	<u>37,017,148</u>	<u>32,331,803</u>	<u>32,162,409</u>	<u>32,777,194</u>	<u>29,654,418</u>
Program Revenues					
Charges for services					
General government	1,339,252	1,212,970	993,731	915,335	944,537
Public safety	169,477	7,193	-	862,746	339,984
Public works	84,122	59,677	903	-	-
Operating grants and contributions	3,770,794	9,103,069	3,358,788	3,071,177	2,919,793
Capital grants and contributions	1,186,305	2,667,906	-	254,104	101,170
Total program revenues	<u>6,549,950</u>	<u>13,050,815</u>	<u>4,353,422</u>	<u>5,103,362</u>	<u>4,305,484</u>
Net (Expense)/Revenue	<u>\$ (30,467,198)</u>	<u>\$ (19,280,988)</u>	<u>\$ (27,808,987)</u>	<u>\$ (27,673,832)</u>	<u>\$ (25,348,934)</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST 10 FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (30,882,980)	\$ (27,649,406)	\$ (25,052,123)	\$ (25,347,126)	\$ (25,884,702)
General Revenues					
Taxes					
Property taxes, levied for general purposes	8,762,252	8,393,175	9,090,957	8,840,619	8,687,211
Property taxes, levied for capital purposes	1,394,140	1,362,304	1,317,706	1,255,573	1,221,224
Gross receipts taxes	11,734,763	11,865,673	7,935,051	8,052,325	7,410,816
Gasoline and motor vehicle taxes	1,505,996	1,706,243	2,073,656	2,349,996	2,382,243
Other taxes	1,066,133	1,163,063	1,083,664	1,188,656	989,386
Unrestricted federal aid	3,636,563	3,370,740	2,817,940	3,067,778	2,860,983
Licenses and fees	-	-	-	-	-
Investment income	110,743	1,231,890	1,080,615	1,246,728	27,223
Contributions	-	-	-	-	-
Miscellaneous income	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	-
Total general revenues	<u>28,210,590</u>	<u>29,093,088</u>	<u>25,399,589</u>	<u>26,001,675</u>	<u>23,579,086</u>
Changes in Net Position	<u>\$ (2,672,390)</u>	<u>\$ 1,443,682</u>	<u>\$ 347,466</u>	<u>\$ 654,549</u>	<u>\$ (2,305,616)</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION (CONTINUED)
LAST 10 FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	<u>\$ (30,467,198)</u>	<u>\$ (19,280,988)</u>	<u>\$ (27,808,987)</u>	<u>\$ (27,673,832)</u>	<u>\$ (25,348,934)</u>
General Revenues					
Taxes					
Property taxes, levied for general purposes	8,391,027	7,902,236	12,249,508	9,500,977	11,691,274
Property taxes, levied for capital purposes	1,208,012	1,191,958	-	-	-
Gross receipts taxes	7,576,240	7,424,494	7,852,548	11,082,567	7,394,050
Gasoline and motor vehicle taxes	2,550,998	2,195,484	2,343,430	2,278,360	2,292,070
Other taxes	894,645	1,218,259	468,905	-	-
Unrestricted federal aid	2,928,777	2,865,630	-	-	-
Licenses and fees	-	-	912,267	-	-
Investment income	1,243,760	873,486	3,016,728	3,023,617	4,708,033
Contributions	-	-	4,609,582	-	-
Miscellaneous income	-	-	236,566	7,185,505	5,275,547
Loss on disposal of capital assets	-	-	(261,603)	949,259	-
Total general revenues	<u>24,793,459</u>	<u>23,671,547</u>	<u>31,427,931</u>	<u>34,020,285</u>	<u>31,360,974</u>
Changes in Net Position	<u>\$ (5,673,739)</u>	<u>\$ 4,390,559</u>	<u>\$ 3,618,944</u>	<u>\$ 6,346,453</u>	<u>\$ 6,012,040</u>

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

STATE OF NEW MEXICO
 CHAVES COUNTY
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST 10 FISCAL YEARS
 (Modified accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund					
Nonspendable	\$ 157,257	\$ 170,101	\$ 155,354	\$ 143,514	\$ 140,735
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	<u>3,728,649</u>	<u>5,515,570</u>	<u>8,293,265</u>	<u>13,753,900</u>	<u>13,624,949</u>
Total general fund	<u><u>\$ 3,885,906</u></u>	<u><u>\$ 5,685,671</u></u>	<u><u>\$ 8,448,619</u></u>	<u><u>\$ 13,897,414</u></u>	<u><u>\$ 13,765,684</u></u>
All Other Governmental Funds					
Nonspendable	\$ 50,978,996	\$ 50,893,636	\$ 50,997,647	\$ 51,046,536	\$ 51,126,690
Restricted	14,262,073	14,098,871	14,108,135	16,563,688	21,500,493
Committed	1,494,819	1,317,314	1,642,179	1,476,458	1,562,731
Unassigned	<u>-</u>	<u>(637,586)</u>	<u>(3,592,252)</u>	<u>(26,554)</u>	<u>-</u>
Total all other governmental funds	<u><u>\$ 66,735,888</u></u>	<u><u>\$ 65,672,235</u></u>	<u><u>\$ 63,155,709</u></u>	<u><u>\$ 69,060,128</u></u>	<u><u>\$ 74,189,914</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
LAST 10 FISCAL YEARS
(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund					
Nonspendable	\$ 146,367	\$ -	\$ -	\$ -	\$ -
Restricted	-	1,000,000	-	-	-
Unassigned	15,343,784	16,090,847	-	-	-
Reserved	-	-	208,676	811,262	-
Unreserved	-	-	13,617,431	11,483,874	8,690,543
Total general fund	<u>\$ 15,490,151</u>	<u>\$ 17,090,847</u>	<u>\$ 13,826,107</u>	<u>\$ 12,295,136</u>	<u>\$ 8,690,543</u>
All Other Governmental Funds					
Nonspendable	\$ 51,237,673	\$ 51,330,469	\$ -	\$ -	\$ -
Restricted	16,412,270	14,881,390	-	-	-
Committed	2,632,162	3,373,014	-	-	-
Reserved	-	-	54,568,283	56,609,051	52,060,517
Unreserved, reported in:	-	-	-	-	-
Special revenue funds	-	-	14,712,910	13,283,742	15,766,491
Capital projects funds	-	-	1,306,493	701,236	723,008
Total all other governmental funds	<u>\$ 70,282,105</u>	<u>\$ 69,584,873</u>	<u>\$ 70,587,686</u>	<u>\$ 70,594,029</u>	<u>\$ 68,550,016</u>

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND DEBT SERVICE RATIO
LAST 10 FISCAL YEARS
(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues					
Property taxes	\$ 10,153,338	\$ 9,730,802	\$ 10,270,397	\$ 10,136,414	\$ 10,059,276
Gasoline and motor vehicle taxes	1,505,996	1,730,243	2,027,618	2,349,996	2,382,243
Gross receipts taxes	11,734,763	11,865,673	7,935,051	8,052,325	7,410,816
Other taxes	1,066,133	1,163,063	1,151,316	1,121,004	1,059,511
State grants and contributions	3,151,360	3,675,397	3,942,704	2,986,212	2,635,334
Federal grants and contributions	3,705,218	3,496,864	3,056,140	3,144,345	2,983,987
Charges for services	756,220	557,207	413,983	477,078	477,894
Licenses and fees	612,065	525,505	464,447	439,370	509,199
Investment income (loss)	110,743	1,231,890	1,080,615	1,246,728	27,223
Contributions	-	-	-	-	-
Other	939,727	835,861	788,537	735,401	982,867
Total revenues	<u>33,735,563</u>	<u>34,812,505</u>	<u>31,130,808</u>	<u>30,688,873</u>	<u>28,528,350</u>
Expenditures					
Current					
General government	6,478,195	5,986,719	6,210,418	5,701,591	5,800,146
Public safety	12,936,146	11,294,155	10,405,168	9,116,461	9,019,160
Public works	5,532,210	5,937,097	5,004,346	4,503,655	5,050,679
Culture and recreation	99,911	85,066	137,208	126,378	134,004
Health and welfare	4,294,735	4,365,628	3,881,935	3,184,580	3,549,717
Capital outlay	3,104,874	5,261,387	15,157,798	11,702,176	6,709,123
Debt service					
Principal	1,678,293	1,572,412	1,433,924	1,356,028	917,643
Interest and fees	347,311	477,105	435,504	500,393	337,806
Loan issuance costs	-	-	2,003	4,613	35,437
Total expenditures	<u>34,471,675</u>	<u>34,979,569</u>	<u>42,668,304</u>	<u>36,195,875</u>	<u>31,553,715</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (736,112)</u>	<u>\$ (167,064)</u>	<u>\$ (11,537,496)</u>	<u>\$ (5,507,002)</u>	<u>\$ (3,025,365)</u>
Expenditures for capitalized assets	\$ 2,462,571	\$ 3,583,641	\$ 13,270,027	\$ 7,960,675	\$ 3,759,776
Debt service as a percentage of noncapital expenditures	6%	7%	6%	7%	5%

**STATE OF NEW MEXICO
CHAVES COUNTY
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND DEBT SERVICE RATIO (CONTINUED)
LAST 10 FISCAL YEARS
(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues					
Property taxes	\$ 9,599,477	\$ 9,391,293	\$ 11,974,302	\$ 11,633,903	\$ 14,243,181
Gasoline and motor vehicle taxes	2,550,998	2,195,484	2,343,430	1,308,242	1,497,750
Gross receipts taxes	7,576,240	7,424,494	7,852,548	9,340,741	3,422,719
Other taxes	928,987	1,113,792	468,905	-	-
State grants and contributions	3,085,795	4,137,740	3,248,912	-	-
Federal grants and contributions	3,579,053	4,011,068	109,876	-	-
Intergovernmental	-	-	-	4,892,874	4,974,255
Charges for services	449,843	328,652	994,634	81,989	845,877
Licenses and fees	505,024	468,452	912,267	914,169	197,614
Investment income (loss)	1,243,760	873,486	3,016,728	3,030,523	5,475,558
Contributions	1,000,000	5,000,000	4,609,582	-	-
Other	859,012	1,970,533	295,916	6,973,049	5,975,768
Total revenues	<u>31,378,189</u>	<u>36,914,994</u>	<u>35,827,100</u>	<u>38,175,490</u>	<u>36,632,722</u>
Expenditures					
Current					
General government	5,920,816	6,691,393	5,801,344	7,022,429	7,143,303
Public safety	8,788,680	9,209,946	8,997,982	8,309,072	8,026,198
Public works	5,145,110	5,079,694	7,741,362	6,511,216	4,845,733
Culture and recreation	123,494	108,798	102,480	147,500	150,000
Health and welfare	6,332,563	7,893,914	6,408,651	8,095,521	6,056,172
Capital outlay	4,823,408	4,440,825	4,361,690	2,925,396	2,767,689
Debt service					
Principal	864,441	837,895	540,098	-	11,855,000
Interest and fees	343,505	379,082	393,887	490,553	817,150
Loan issuance costs	-	-	-	-	-
Total expenditures	<u>32,342,017</u>	<u>34,641,547</u>	<u>34,347,494</u>	<u>33,501,687</u>	<u>41,661,245</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (963,828)</u>	<u>\$ 2,273,447</u>	<u>\$ 1,479,606</u>	<u>\$ 4,673,803</u>	<u>\$ (5,028,523)</u>
Expenditures for capitalized assets	\$ 1,122,321	\$ 5,031,921	\$ 4,361,690	\$ 2,925,396	\$ 2,767,689
Debt service as a percentage of noncapital expenditures	4%	4%	3%	2%	33%

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.

**STATE OF NEW MEXICO
CHAVES COUNTY
OTHER FINANCING SOURCES AND USES AND NET CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (736,112)	\$ (167,064)	\$ (11,537,496)	\$ (5,507,002)	\$ (3,025,365)
Other financing sources (uses)					
Loan proceeds	-	-	267,003	619,613	4,725,000
Premium on loan issuance	-	-	-	-	783,083
Proceeds from sale of assets	-	-	-	-	-
Transfers in	9,546,466	7,675,000	12,165,550	5,302,282	5,963,800
Transfers out	(9,546,466)	(7,675,000)	(12,165,550)	(5,302,282)	(5,963,800)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>267,003</u>	<u>619,613</u>	<u>5,508,083</u>
Changes in fund balances	<u>\$ (736,112)</u>	<u>\$ (167,064)</u>	<u>\$ (11,270,493)</u>	<u>\$ (4,887,389)</u>	<u>\$ 2,482,718</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (963,828)	\$ 2,273,447	\$ 1,479,606	\$ 4,673,803	\$ (5,028,523)
Other financing sources (uses)					
Operating transfers in (out)					
Other					
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	5,900,000	8,047,300	9,646,288	-	-
Transfers out	(5,900,000)	(8,047,300)	(9,671,288)	-	-
Total other financing sources (uses)	<u>-</u>	<u>126,785</u>	<u>29,442</u>	<u>974,804</u>	<u>9,318,792</u>
Changes in fund balances	<u>\$ (963,828)</u>	<u>\$ 2,400,232</u>	<u>\$ 1,509,048</u>	<u>\$ 5,648,607</u>	<u>\$ 4,290,269</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 10 FISCAL YEARS**

	Fiscal Year Ended June 30,									
	<u>2017</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>
Utilities	\$ 801,872	\$ 783,810	\$ 517,005	\$ 499,272	\$ 444,333	\$ 439,997	\$ 427,008	\$ 407,935	\$ 461,304	\$ 438,634
Construction	1,436,423	1,356,531	838,233	984,104	780,926	850,754	694,846	746,004	849,346	927,557
Manufacturing	142,414	143,843	90,193	76,932	78,320	78,050	91,188	76,164	80,496	92,011
Wholesale trade	334,053	343,247	186,356	158,411	140,321	149,607	128,401	120,721	131,156	142,548
Retail trade	2,882,691	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
Information and cultural industries	475,456	491,195	291,860	305,540	321,689	319,725	419,209	344,836	336,263	292,893
Real estate, rental and leasing	130,907	131,533	88,008	70,487	79,701	81,040	85,282	50,589	65,276	64,578
Professional, scientific and technical	577,296	620,813	454,361	364,118	332,563	319,467	332,507	264,682	294,300	287,108
Healthcare and social assistance	759,306	694,463	379,225	331,900	262,296	349,011	391,138	415,269	470,417	391,163
Accommodation and food services	906,273	944,354	548,912	500,175	462,986	416,113	391,266	381,629	401,523	382,175
Other services (except public admin.)	1,216,747	476,127	831,449	911,234	946,527	872,213	813,845	876,555	1,099,305	1,324,382
Unclassified establishments	54,194	62,911	40,351	52,745	17,344	4,350	5,373		2	117,234
State food distribution	310,276	339,758	359,053	467,162	495,962	526,429	469,118	403,627	411,217	485,879
State medical distribution	652,682	600,148	88,002	111,102	93,005	106,059	80,475	79,919	78,645	78,242
Other business activity	538,428	1,253,211	414,692	463,036	486,739	470,189	548,260	449,409	555,607	405,412
Total	<u>\$ 11,219,017</u>	<u>\$ 11,187,268</u>	<u>\$ 7,214,911</u>	<u>\$ 7,205,360</u>	<u>\$ 6,813,014</u>	<u>\$ 6,791,944</u>	<u>\$ 6,901,814</u>	<u>\$ 6,575,582</u>	<u>\$ 7,087,434</u>	<u>\$ 7,344,489</u>

- 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 10 FISCAL YEARS**

Fiscal Year	Property Taxes	Gross Receipts Taxes	Motor Vehicle Taxes	Gas Tax	Oil Tax	Other Taxes	Total
2017	\$ 10,055,746	\$ 11,733,603	\$ 861,365	\$ 365,109	\$ 384,857	\$ 106,589	\$ 23,507,269
2016	9,669,250	10,787,779	902,515	356,123	501,647	89,865	22,307,178
2015	10,360,596	7,716,705	830,500	356,532	902,060	89,383	20,255,776
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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
GROSS RECEIPTS TAX RATES
LAST 10 FISCAL YEARS**

Governmental Entitiy	Location Code	Fiscal Year Ended June 30,									
		2017		2016		2015		2014		2013	
		Jul-Dec 2016	Jan-Jun 2017	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2013	Jan-Jun 2014	Jul-Dec 2012	Jan-Jun 2013
Dexter	04-201	7.3125%	7.3125%	7.3125%	7.3125%	6.9375%	7.3125%	6.9375%	6.9375%	6.9375%	6.9375%
Hagerman	04-300	7.5000%	7.5000%	7.5000%	7.5000%	7.1250%	7.5000%	7.1250%	7.1250%	7.1250%	7.1250%
Lake Arthur	04-400	6.8125%	6.8125%	6.8125%	6.8125%	6.4375%	6.8125%	6.4375%	6.4375%	6.4375%	6.4375%
Roswell	04-101	7.5000%	7.5000%	7.5000%	7.5000%	7.1250%	7.5000%	7.1250%	7.1250%	7.1250%	7.1250%
Remainder of County	04-004	6.4375%	6.4375%	6.4375%	6.4375%	6.0625%	6.4375%	6.0625%	6.0625%	6.0625%	6.0625%

Governmental Entitiy	Location Code	Fiscal Year Ended June 30,									
		2012		2011		2010		2009		2008	
		Jul-Dec 2011	Jan-Jun 2012	Jul-Dec 2010	Jan-Jun 2009	Jul-Dec 2009	Jan-Jun 2010	Jul-Dec 2008	Jan-Jun 2009	July-Dec 2007	Jan-Jun 2008
Dexter	04-201	6.9375%	6.9375%	6.9375%	6.9375%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%
Hagerman	04-300	7.1250%	7.1250%	7.1250%	7.1250%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%
Lake Arthur	04-400	6.4375%	6.4375%	6.4375%	6.4375%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%
Roswell	04-101	7.1250%	7.1250%	7.1250%	7.1250%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%
Remainder of County	04-004	6.0625%	6.0625%	6.0625%	6.0625%	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 10 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
2017	2016	\$8,382,028	\$ 8,054,420	96.09 %	\$ -	\$ 8,054,420	96.09 %
2016	2015	8,133,389	7,836,733	96.35	-	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

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 are updated to reflect all Tax Roll corrections for the full reported period.

**STATE OF NEW MEXICO
CHAVES COUNTY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST 10 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>
2016	\$ 150,378,654	\$ 818,978,104	\$ 36,661,326	\$ 24,787,629	\$ 191,645,152	\$ 62,677,407	\$ (98,140,681)	\$ 1,186,987,591	\$ 3,560,962,773
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

Source: County Assessor's Records.

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX RATES (MIL RATES) - DIRECT AND OVERLAPPING
LAST 10 FISCAL YEARS**

Tax Year		Direct Rates		Overlapping Rates													
		Municipalities		School Districts										Special District			
				State of New Mexico	Chaves County	City of Roswell	Town of Hagerman	Town of Dexter	Town of Lake Arthur	Roswell School District	Dexter School District	Hagerman School District	Lake Arthur School District	ENMUR	Artesia School District	Elida School District	Yatum School District
2016	Residential	1.3600	5.3050	7.1540	1.6940	1.1240	2.0110	7.7960	13.3940	7.2580	16.7880	0.8510	7.1600	2.2650	7.7950	3.5400	1.0000
	Non-Residential	1.3600	9.0440	8.1960	2.1660	2.1740	2.0040	8.0990	13.5960	7.4380	16.8500	0.9690	7.4650	2.2330	8.4010	5.0000	1.0000
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

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	2017		2008	
	Primary Assessed Valuation	Percentage of County's Net Assessed Valuation	Primary Assessed Valuation	Percentage of County's Net Assessed Valuation
MID AMERICA PIPELINE COMPANY	\$ 30,117,906	2.54 %	\$ 7,465,637	0.94 %
BURLINGTON NORTHERN THE & ; SANTA FE RAILWAY CO	26,524,904	2.23	11,128,225	1.40
S W P S	30,348,814	2.56	17,343,814	2.18
ROSWELL HOSPITAL CORPORATION	10,547,501	0.89	13,423,222	1.69
TRANSWESTERN PIPELINE CO ; PROPERTY TAX DEPARTMENT	14,380,755	1.21	15,628,118	1.97
CENTRAL VALLEY ELECTRIC	10,872,377	0.92	5,825,881	0.73
AGAVE ENERGY COMPANY ; C/O INDUSTRIAL VALUATION SERVICE	11,467,338	0.97	8,587,836	1.08
EL PASO NATURAL GAS CO	8,653,058	0.73	9,196,305	1.16
CORTEZ PIPELINE COMPANY	9,049,655	0.76	3,781,868	0.48
ASHLEY, KARNS, BAKER PROPERTIES, LTD	4,423,678	0.37	4,092,948	0.51
QWEST CORPORATION	4,493,705	0.38	6,639,748	0.84
NEW MEXICO GAS COMPANY	4,608,803	0.39	-	0.00
HOEKSTRA FAMILY TRUST ; LOUIS & ALNEATA G TRUSTEES	4,185,418	0.35	2,469,528	0.31
WAL-MART STORES EAST LP	3,416,573	0.29	3,630,933	0.46
PIONEER BANK	3,399,337	0.29	2,213,378	0.28
CENTURION PIPELINE, LP	3,358,560	0.28	-	0.00
SIDELINE DAIRY LLC	3,307,532	0.28	-	0.00
THREE AMIGOS DAIRY	4,508,307	0.38	3,134,848	0.39
FIRST NATIONAL TOWER, LTD	2,903,748	0.24	-	0.00
Total	\$ 190,567,969	16.04 %	\$ 114,562,289	14.41 %
County's Total Assessed Valuation	\$ 1,186,987,591		\$ 795,054,190	

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

**STATE OF NEW MEXICO
CHAVES COUNTY
OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities			Total Outstanding Debt					
	General Obligation Bonds	NMFA Loans	Refunding Revenue Bonds	Total	Taxable Value of Property	Percentage of Assessed Property Value	Percentage of Personal Income	Total Population	Ratio of Total Debt Per Capita
2017		4,963,935	\$ 3,153,616	8,117,551	\$ 1,186,987,591	0.68 %	n/a %	65,282	124.35
2016		5,849,817	4,436,264	10,286,081	1,132,008,650	0.91	0.44	65,764	156.41
2015		5,870,541	5,286,113	11,156,654	1,131,909,772	0.99	0.58	65,878	169.35
2014		6,160,770	6,264,095	12,424,865	1,067,027,428	1.16	0.58	66,041	188.14
2013		6,085,547	7,172,077	13,257,624	1,026,598,778	1.29	0.63	65,823	201.41
2012		625,693	7,895,000	8,520,693	989,385,547	0.86	0.44	65,784	129.53
2011		675,134	8,710,000	9,385,134	979,844,943	0.96	0.52	65,890	142.44
2010		596,154	9,500,000	10,096,154	967,820,752	1.04	0.50	65,778	153.49
2009		474,056	10,000,000	10,474,056	927,563,973	1.13	0.56	63,622	164.63
2008		513,657	10,000,000	10,513,657	868,584,057	1.21	0.62	62,998	166.89

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

**STATE OF NEW MEXICO
CHAVES COUNTY
LEGAL DEBT MARGIN INFORMATION
LAST 10 FISCAL YEARS**

	Fiscal Year Ended June 30,									
	<u>2017</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>
Debt Limit	\$ 47,479,504	\$ 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
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 47,479,504</u>	<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>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$1,186,987,591
Debt Limit (4% of total assessed value)	47,479,504
Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 47,479,504</u>

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

**STATE OF NEW MEXICO
CHAVES COUNTY
PLEDGED REVENUE COVERAGE
LAST 10 FISCAL YEARS**

General Obligation & Refunding Bonds					
Fiscal Year Ended June 30,	Gross Receipt Tax Revenues	Debt Service			Coverage
		Principal	Interest	Total	
2017	\$ 2,387,693	\$ 1,140,000	\$ 142,648	\$ 1,282,648	186%
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	n/a
2008	2,404,010				n/a

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, 2017**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to County	Estimated Amount Applicable to County
DIRECT:			
Chaves County	\$ 6,761,356	100.00%	\$ 6,761,356
OVERLAPPING DEBT:			
State of New Mexico	1,169,028,583	2%	23,380,572
Municipalities:			
City of Roswell	18,247,558	100.00%	18,247,558
Town of Dexter	8,450	100.00%	8,450
Town of Hagerman	626,536	100.00%	626,536
Town of Lake Arthur	88,833	100.00%	88,833
School Districts:			
Roswell Independent School Dist.	46,518,000	100.00%	46,518,000
Dexter Schools	4,072,218	100.00%	4,072,218
Hagerman Schools	952,264	100.00%	952,264
Lake Arthur Schools	4,385,000	100.00%	4,385,000
Eastern NM University Roswell	-	100.00%	-
NM Junior College	-	0.00%	-
			Subtotal, Overlapping Debt
			98,279,431
			Total Direct and Overlapping Debt
			\$ 105,040,787

Ratios:

Ratio of Total Direct & Overlapping Debt to 2015 Assessed Valuation:	8.85%
Ratio of Chaves County's Outstanding General Obligation Debt to 2015 Estimated Actual Valuation	2.95%
Per Capita Direct & Overlapping Debt:	\$ 1,609.03
Net Taxable Valuation:	\$ 1,186,987,591
Total Estimated Actual Valuation:	\$ 3,560,962,773
Total Population - Estimated:	65,282

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 10 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>
2017	65,282	n/a	n/a	7.10%	890	684	11,865
2016	65,764	2,398	36,466	6.20%	931	614	11,823
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

Sources: The source of the "Population" and "Unemployment Rate" information is: U.S. Census Bureau, Census of Populations Births and Deaths sources: New Mexico Health Department.

Per Capita Income and Personal Income number for 2017 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**

Employer	Industry	2017			2008		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Roswell Independent School District	Education	1,100	1	4.37 %	750	1	2.81 %
Leprino Foods	Manufacturing	554	2	2.20	470	4	1.76
City of Roswell	Government	548	3	2.18	500	3	1.87
Eastern New Mexico Medical Center	Health Care	528	4	2.10	650	2	2.43
New Mexico Military Institute	Education/Gov.	323	5	1.28	270	6	1.01
Community Homecare	Health Care	287	6	1.14			-
Chaves County	Government	254	7	1.01	250	9	0.94
Eastern NM University - Roswell	Education	254	8	1.01	300	5	1.12
Krumland Auto Group	Commercial/Retail	253	9	1.01			-
Albertson's	Commercial/Retail	250	10	0.99			-
Lovelace Regional Medical Center	Health Care	240	11	0.95	255	8	0.95
Tobosa Development	Health Care	225	12	0.89			-
Wal-Mart Super Center	Commercial/Retail	200	13	0.79	260	7	0.97
Pionner Bank	Financial	187	14	0.74			-
Christmas by Krebs	Manufacturing	170	15	0.68	150	14	0.56
Sam's Club	Commercial/Retail	130	16	0.52			-
New Mexico Dept. Of Transportation	Government	129	17	0.51			-
Dean Baldwin Painting	Aviation	123	18	0.49	120	16	0.45
AerSale	Aviation	120	19	0.48			-
US Postal Service Roswell	Government	75	20	0.30			-
AAR Aircraft Services	Aircraft Servicing			-	150	13	0.56
Impact Confections	Manufacturing			-	240	10	0.90
United Drilling	Oil and Gas			-	170	12	0.64
Mission Arch Care	Health Care			-	120	17	0.45
Bell Gas Co	Oil and Gas			-	110	18	0.41
Armstrong Contruction	Construction			-	175	11	0.65
Casa Maria Health Care Center	Health Care			-	120	15	0.45
Total		5,950		19.27 %	5,060		16.12 %
Total employment		25,165			26,735		

Source: The source of the information is from Chaves County Economic Development Center, ycharts.com, and stats.justia.com.

**STATE OF NEW MEXICO
CHAVES COUNTY
FULL-TIME-EQUIVALENT EMPLOYEES
BY COUNTY DEPARTMENT/DIVISION OR ELECTED OFFICE
LAST 10 FISCAL YEARS**

	Full-time Equivalent Employees as of June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	1	1	1	2	2
Human Resources	2	3	2	1	1
Safety	0	0	1	0	0
Fire & Emergency	0	1	0	0	1
General Services					
Public Works	2	2	4	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	2	3	2
Hospital Indigent Claims	2	2	2	2	2
Detention Facilities					
Detention Administration	10	10	10	10	8
Adult Detention	56	67	64	58	59
Juvenile CCJD	14	17	18	17	18
Facility Maintenance					
Facility Maintenance	9	8	9	9	10
Courthouse Maintenance	3	3	3	3	3
Record & Filing (Clerk)					
Clerk Administration	6	5	5	5	6
Clerk Bureau Election	3	4	3	3	3
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	7	7	7	7	7
Re-Appraisal Dept.	5	5	5	3	4
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	10	11	11	10	11
Sheriff Patroll & Investigations	27	30	29	29	32
Court Security	7	7	6	6	6
Other Funds/Departments					
Road Administration	4	3	3	4	4
Road Shop	7	6	7	7	6
Road Construction & Maintenance	30	34	31	33	30
DWI	1	3	2	2	2
Flood Control	11	11	10	9	9
Court Services	4	2	4	3	4
Total	247	268	263	253	257

**STATE OF NEW MEXICO
CHAVES COUNTY
FULL-TIME-EQUIVALENT EMPLOYEES
BY COUNTY DEPARTMENT/DIVISION OR ELECTED OFFICE (CONTINUED)
LAST 10 FISCAL YEARS**

	Full-time Equivalent Employees as of June 30,				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	2	2	2	2	2
Human Resources	1	1	1	1	1
Safety	0	0	0	0	1
Fire & Emergency	1	1	1	1	1
General Services					
Public Works	3	2	2	2	2
Information Technology	3	3	3	2	1
Data Processing	0	1	1	2	4
Planning & Zoning	4	3	4	2	4
Purchasing	2	2	1	1	1
Finance					
Finance	4	4	5	5	5
Community Development	3	3	3	3	2
Hospital Indigent Claims	4	4	4	4	4
Detention Facilities					
Detention Administration	8	8	6	9	11
Adult Detention	57	49	50	49	47
Juvenile CCJD	17	19	18	16	16
Facility Maintenance					
Facility Maintenance	11	12	10	9	12
Courthouse Maintenance	3	3	3	2	2
Record & Filing (Clerk)					
Clerk Administration	4	5	5	5	5
Clerk Bureau Election	4	4	4	4	4
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	6	7	7	7	6
Re-Appraisal Dept.	4	5	5	5	5
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	12	12	12	11	14
Sheriff Patroll & Investigations	30	30	34	30	33
Court Security	7	7	6	8	6
Other Funds/Departments					
Road Administration	3	3	4	4	4
Road Shop	7	7	6	7	7
Road Construction & Maintenance	30	34	34	33	33
DWI	2	2	2	2	2
Flood Control	9	9	9	8	9
Court Services	5	7	7	6	0
Total	257	260	260	251	255

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

STATE OF NEW MEXICO
CHAVES COUNTY
CAPITAL ASSETS INFORMATION
LAST 10 FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2017</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>
General Gov't										
Buildings	2	2	2	2	2	2	2	2	2	2
Buidling Sites	24	24	26	24	24	24	23	23	23	21
Right of Way	7	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	4	3	3
Vehicles	136	142	134	140	128	118	109	101	93	81
Equipment	29	30	30	33	33	30	30	29	25	20
Other	106	112	137	183	178	174	170	167	165	157
Clerk Recording & Filing										
Vehicles	1	1	1	1	1	1	1	1	1	1
Equipment	4	4	4	4	1	1	1	1	1	1
Other	3	2	2	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	1						
Other	3	3	2	2	2	1	1	1	1	1
Fire Departments										
Stations	16	15	14	14	14	14	14	14	14	14
Vehicles	58	45	44	43	40	38	36	34	30	29
Pumpers	28	22	22	20	19	18	18	17	15	14
Tankers	15	13	13	12	11	9	8	8	7	7
Equipment	5	6	6	6	6	6	6	5	5	5
Other	32	29	27	14	11	9	9	8	6	6

STATE OF NEW MEXICO
 CHAVES COUNTY
 CAPITAL ASSETS INFORMATION (CONTINUED)
 LAST 10 FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2017</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>
Flood Department										
Vehicles	33	35	34	33	31	29	28	26	22	12
Other	5	5	4	4	4	4	4	4	4	4
Law Enforcement										
Other	2	2	2	2	2	2	2	2	2	1
Other Grants & Contract										
Vehicles	3	3	3	3	3	3	3	1	1	1
Equipment	1	1	1	1						
Other	6	3	3	3	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	22
Vehicles	137	135	141	132	125	121	118	116	112	100
Equipment	1	1	5	1	1	1	1	1	1	1
Other	25	23	3	15	13	10	10	10	9	7

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

**STATE OF NEW MEXICO
CHAVES COUNTY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST 10 FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year ended June 30,</u>									
	<u>2017</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>
Public Works (4)										
Street Resurfacing (miles) (1)	63	81	64	69	41	43	62	54	69	57
Traffic Sign (2)	465	449	2,903	772	1,135	1,023	1,454	1,915	1,508	1,632
Streets (miles)	1,400	1,409	1,407	1,407	1,413	1,419	1,426	1,418	1,441	1,448
Streetlights (3)	33	33	33	33	33	33	33	33	33	33
Law Enforcement										
Traffic Citations	1,889	2,095	1,598	934	1,162	1,078	1,184	1,529	1,580	1,701
911 Calls Answered (5) (6)	52,049	58,912	86,555	79,261	76,595	75,843	74,665	71,737	70,564	N/A
Zoning, Building, and Planning										
Residential Building Permits	18	18	11	12	14	29	11	9	33	44
Commercial Building Permits	13	5	2	4	2	3	4	0	1	3
Detention Center										
Total Bookings	4,643	4,668	4,754	4,543	4,705	4,674	4,879	4,311	4,287	3,717
Fire Departments										
Number of Calls Answered	414	313	311	407	303	548	331	441	438	380

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 and Detention Center 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.

COMPLIANCE SECTION



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

County Commissioners of
Chaves County
Chaves, New Mexico
and
Mr. Timothy Keller
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 of the general fund and the major special revenue funds of Chaves County (the County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the Table of Contents and have issued our report thereon dated November 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County’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 County’s internal control. Accordingly, we do not express an opinion on the effectiveness of County’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 a 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.

County Commissioners of
Chaves County and
Mr. Timothy Keller
New Mexico State Auditor

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

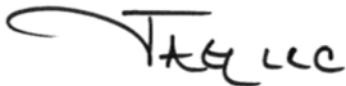
We noted certain matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the Schedule of Section 12-6-5 NMSA 1978 Findings as item 2017-01.

The County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying Schedule of Section 12-6-5 NMSA 1978 Audit Findings. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 29, 2017

**STATE OF NEW MEXICO
CHAVES COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

NONE

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

NONE

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF SECTION 12-6-5 NMSA 1978 AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

2017-001 CASH RECONCILIATIONS – OTHER MATTER

CONDITION

During our testing of cash, we noted the following:

In reconciling the year-end balance in the NM State Investment Board account to the Cash on Hand Report prepared by the Finance Department, there was a difference of (\$1,136).

In the Pioneer Bank account for the Chaves County Detention Center (CCDC) there was a difference of (\$9,548) in the balance of the account between the bank balance per the bank statement and the Cash on Hand report prepared by the Finance Department.

CRITERIA

Cash balances should be reconciled monthly for all bank accounts from the bank statements to the actual cash on hand, and any differences investigated timely and corrected as necessary.

EFFECT

There is higher risk of errors in the financial statements without a final review of cash balances all the way through to the financial statement presentation. The County did not have accurate reconciliations of cash on a timely basis as part of the financial close and reporting process.

CAUSE

There was a second investment account with the NM State Investment Pool in the amount of \$1,136. It was closed by the State and eventually the money was transferred to the other account. The Cash on Hand report reflected the addition of this \$1,136 but the statement received from the NM State Investment Pool did not reflect the transfer of this amount from the closed account to the other account.

CCDC is slow each month sending over their receipts and disbursements journal to the Treasurer's Office. Because of this, the Treasurer's Office must subtract the ending account balance from the beginning account balance and then record the difference as a reduction to cash or an addition to cash. Then, this difference is added to the amount of checks outstanding and that accounts for the difference.

AUDITOR'S RECOMMENDATION

This appears to be a one-time occurrence caused by the NM State Investment Pool's failure to update their statements to Chaves County to reflect the closing of one account and subsequent transfer of funds to the other account. The Finance Department did pick up the transfer of funds per their Cash on Hand report timely. We recommend monitoring that this does not reoccur.

We recommend that the Finance Department work closely with the Detention Center to receive timely the monthly receipts and expenditures so that an accurate and timely bank reconciliation can be properly prepared monthly.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF SECTION 12-6-5 NMSA 1978 AUDIT FINDINGS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

2017-001 CASH RECONCILIATIONS – OTHER MATTER (CONTINUED)

MANAGEMENT RESPONSE

Corrective Action: Management concurs with the finding. Treasurer’s department will follow up with the Chaves County Detention Center to make sure the reports are submitted on time to make an accurate and timely bank reconciliation.

The Treasurer and Finance departments will be touching base with the NM State Investment Pool to resolve the issue in the finding.

Responsible Party (Title): Treasurer and CFO

Due Date of Completion: November 30, 2017

**STATE OF NEW MEXICO
CHAVES COUNTY
EXIT CONFERENCE
JUNE 30, 2017**

The contents of this report were discussed, in a closed session, on November 28, 2017. The following individuals were in attendance:

Chaves County

Joe Sedillo, CFO

Stanton L. Riggs, County Manager

Robert Corn, Chairman, Commissioner

James Duffey, Commissioner

Mark Willard, Assessor

Ron Lethgo, Chief Deputy Assessor

Charlotte Andrade, Treasurer

Toni Gomez, Chief Deputy Treasurer

Sandra Rodriguez, Purchasing Director

William Williams, Public Services Director

Anabel Barraza, Assistant Finance Director

Jaramillo Accounting Group LLC (JAG)

Audrey J. Jaramillo, CPA, CFE, Managing Partner

Jaramillo Accounting Group LLC (JAG) 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.