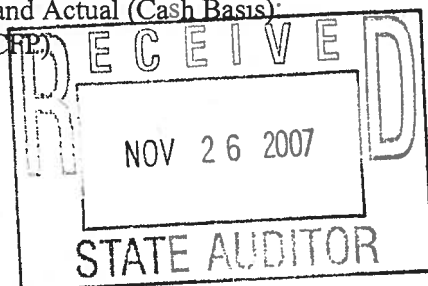


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DONA ANA COUTNY
OFFICIAL ROSTER
JUNE 30, 2007

COMMISSIONERS

<u>Name</u>	<u>Title</u>
<i>Karen G. Perez</i>	<i>Chairwomen, Commissioner, District 3</i>
<i>D. Kent Evans</i>	<i>Vice-Chairman, Commissioner, District 4</i>
<i>William (Bill) McCamley</i>	<i>Commissioner, District 5</i>
<i>Oscar Vasquez Butler</i>	<i>Commissioner, District 1</i>
<i>Dolores Saldana-Caviness</i>	<i>Commissioner, District 2</i>

OFFICIALS

<i>Brian D. Haines</i>	<i>County Manager</i>
<i>Jim Schoonover</i>	<i>County Treasurer</i>
<i>Rita Torres</i>	<i>County Clerk</i>
<i>Gary Perez</i>	<i>County Assessor</i>
<i>Alice M. Salcido</i>	<i>Probate Judge</i>
<i>Todd Garrison</i>	<i>County Sheriff</i>



INDEPENDENT AUDITORS' REPORT

Mr. Hector H. Balderas, State Auditor and
The Board of County Commissioners
Dona Ana County
Las Cruces, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Dona Ana County (the "County"), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dona Ana County, as of June 30, 2007, the respective changes in financial position and cash flows, where applicable, there of and the respective budgetary comparison of the general, health services, and indigent hospital care funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, and the respective changes in financial position and cash flows, where applicable there of as of June 30, 2007 and nonmajor governmental and enterprise fund budgetary comparisons of Dona Ana County for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Mr. Hector H. Balderas, State Auditor and
The Board of County Commissioners
Dona Ana County
Las Cruces, New Mexico
Page Two

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 14, 2007 on our consideration of the Dona Ana County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 4 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Dona Ana County's basic financial statements and combining and individual fund financial statements and budgetary comparisons presented as supplementary information. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Dona Ana County. The reconciliation of property taxes, county treasurer's property tax schedule, and the schedules of joint powers agreements are presented as required by SAO Rule 2.2.2. are also not a required part of the basic financial statements of the Dona Ana County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.

November 14, 2007

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

The Dona Ana County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the Doña Ana County's financial statements beginning on page 13.

FINANCIAL HIGHLIGHTS

- The County completed fiscal year 2007 with \$343,283,587 in total assets; this is a 2% increase in assets when compared to the \$336,406,756 in fiscal year 2006. Total Liabilities for net assets decreased by roughly 4% or \$3,185,432 to \$75,814,817; while Total Net Assets increased by approximately 4% or \$10,461,264 to complete the fiscal year at \$267,867,770.
- Governmental Activity increased by roughly 3.4% or \$6,896,344 to end the fiscal year at \$207,802,615; while Business-Type Activities increased by 6.3% or \$3,564,920 for a fiscal year net asset balance of \$60,065,155; while revenues increased by 11.4% (\$102,099,719) and exceeded expenditures (\$99,988,302) by 2.1%.
- The County's financial analysis of County Governmental Funds indicates an increase in total assets of \$8,143,902 or 8.8% to \$100,449,180; total liabilities increased by \$780,646 or 4.4%, while total fund balance increased by 7,363,256 or 9.8%.
- On February 10, 2005, the Doña Ana County, the City of Sunland Park and Verde Group, LLC, entered into a Memorandum of Understanding to create a Joint Water Wastewater Authority to provide water, wastewater services, and, zoning and sub-division services for the Santa Teresa-Border Area of Southern Doña Ana County. Included in this agreement is the transfer of fixed assets from Doña Ana County to the newly created entity. Current worth of these assets to be transferred approximates \$14,000,000. This MOU is still in effect in the current fiscal year.
- An Ordinance was adopted in fiscal year 2006 for the imposition of an excise tax equal to 1/16th of one percent (.0625%) of the gross receipts reported and/or required to be reported with the proceeds going towards the Doña Ana County Detention Center.
- An Ordinance was adopted in Fiscal Year 2006 for the imposition of an excise tax equal to 1/16th of one percent (.0625%) of the gross receipts reported and/or required to be reported with restrictions adopted by resolution promulgating 7/12^{ths} of the proceeds to be distributed to the Sheriff's Department for their purpose, and the remaining 5/12^{ths} to be distributed to the Fire Marshal for their purpose.
- Dona Ana County received state appropriations totaling \$5,000,000 for the Colonias Initiative from the State of New Mexico Governor's Office to improve infrastructure within the 40 substandard designated colonia communities within the County's boundaries. In fiscal year 2007, \$2,865,956 has been expended.
- Due to major flooding, the County became eligible for FEMA funding. A total of approximately \$1.9 million was received of which \$753,054 was expended in the fiscal year.
- The County negotiated all contracts successfully with County Sheriff Deputies, Detention Officers, and blue-collar employees. Non-unionized County employees received a 3.2% cost of living allowance (COLA).
- Total bonded debt at June 30, 2007 for the County was \$52,505,000.

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

GENERAL FUND BUDGETARY HIGHLIGHTS

Dona Ana County's total actual general fund expenditures for the fiscal year 2006/2007 were 10% under the budgeted expenditure amounts for the year. The actual General Fund revenues varied favorably over budget by 1.8%. Budget adjustments were made in the General Fund due predominantly to FEMA funds received/expended as a result of significant flooding in the north valley of the County.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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.

Government-Wide Financial Statements

The *government-wide financial statements* consist of two statements and are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all the County's assets and liabilities, with the difference between the two reported as net assets.

The *Statement of Activities* presents information showing how the County's net assets changed during fiscal year 2006. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned and unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include General Government, Public Safety, Public Works, Health and Welfare, and Cultural and Recreation. The business-type activities of the County include Water, Wastewater, and Rental Housing 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

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

The County adopts an annual appropriated budget for its general, special revenue, debt service and capital projects funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements begin on page 18 of this report.

Proprietary Fund

The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to various Water and Wastewater Utilities, and HUD's Low Rent Housing Villa Sereno, as well as operations. An internal service fund is utilized to charge costs of fleet maintenance to individual funds.

The basic proprietary fund financial statements begin on page 25 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

The basic fiduciary fund financial statements begin on page 29 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-61 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found starting on page 63 of this report.

The combining statements referred to earlier in connection with Nonmajor governmental funds, Nonmajor enterprise funds, and internal service funds are presented in the supplementary information section of this report. Combining schedules can be found on pages 70-93 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Broad Overview of Finances)

The County implemented the new financial reporting model required by Governmental Accounting Standards Board Statement No. 34 in fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the County as a whole.

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

Dona Ana County
Condensed Schedule of Net Assets
As of June 30, 2007 and 2006

	2007		2006		2007		2006	
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total Primary Government	Total Primary Government	Total Primary Government	Total Primary Government
Assets:								
Current and Other Assets	\$ 97,046,712	\$ 91,087,382	\$ 4,033,034	\$ 1,988,421	\$ 101,076,746	\$ 93,075,803		
Capital Assets	180,573,523	185,381,579	62,029,318	57,949,374	242,602,841	243,330,953		
Total Assets	277,620,235	276,468,961	66,062,352	59,937,795	343,682,587	336,406,756		
Liabilities:								
Current Liabilities	10,931,147	14,100,042	411,678	292,128	11,342,825	14,392,170		
Non-Current Liabilities	58,886,473	61,462,648	5,585,519	3,145,432	64,471,992	64,608,080		
Total Liabilities	69,817,620	75,562,690	5,997,197	3,437,560	75,814,817	79,000,250		
Net Assets:								
Invested in Capital Assets	125,003,520	126,679,217	56,477,390	0	181,480,910	126,679,217		
Restricted Assets	8,256,825	19,444,177	0	0	8,256,825	19,444,177		
Unrestricted Assets	74,542,270	54,782,877	3,587,765	56,500,235	78,130,035	111,283,112		
Total Net Assets	207,802,615	200,906,271	60,065,155	56,500,235	267,867,770	257,406,506		
Total Liabilities And Net Assets	\$ 277,620,235	\$ 276,468,961	\$ 66,062,352	\$ 59,937,795	\$ 343,682,587	\$ 336,406,756		

The largest portion of the County's net assets reflects its investment in capital assets (i.e., land, land improvements, buildings, equipment, utility infrastructure); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted* net assets may be used to meet the County's ongoing obligations to citizens and creditors.

Governmental Activities

Governmental activities decreased the County's net assets by (\$2,391,689). The decrease is due predominantly to the capital transfer of assets to the business-type activities of the County for use in utility operations.

On June 1, 2004, the County and the City of Las Cruces terminated the lease of the County- and City-owned hospital to Memorial Medical Center, Inc. (MMCI, a non-profit corporation) and executed a new 40-year lease to Province Healthcare, Inc. (PHI), now taken over by Life Point. The County and City each began receiving half of MMCI's assets from the resulting liquidation of the corporation. The increase in Net assets mentioned above is primarily a result of the prepayment of the 40-year lease by PHI and the liquidation of MMCI. More detailed information about the hospital lease is presented in page 57, Note 15 to the financial statements.

The overall financial position in governmental activities changed by only 2%. Although, the change in net assets from 2006 to 2007 was (\$4,903,325), this was predominantly due to the transfer of capital assets from the construction of wastewater facilities in the capital projects funds to the enterprise funds where they are operated. Other than this activity, the County's operations had little change from the prior year.

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

Business-type Activities

The overall financial position of the business-type activities changed predominantly from the transfer of capital assets from the governmental activities noted above. The actual operations of the business-type activities (other than receiving capital transfers) remained consistent with the prior year.

Construction continues on water and wastewater utilities for the County. The County is anticipating the transfer of assets of the Border (Santa Teresa) Water and Wastewater facilities to the Joint Water Wastewater Authority. Overall the County utility connections increased by 195 connections for a total of 2,789. South Central's Customer base increased by 315 connections in the current fiscal year; while La Mesa (143) and San Miguel (146) account for a total of 289 connections.

Dona Ana County
Summary of Changes In Net Assets
As of June 30, 2007 and 2006

	2007		2006		2007		2006	
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total Primary Government	Total Primary Government	Total Primary Government	Total Primary Government
Revenues:								
<u>Program Revenues</u>								
Charges for Services	\$ 15,649,588	\$ 20,186,647	\$ 1,023,188	\$ 1,056,481	\$ 16,672,776	\$ 21,243,128	\$ 16,672,776	\$ 21,243,128
Operating Grants and Contributions	13,686,860	8,392,069	33,726	-	13,720,586	8,392,069	13,720,586	8,392,069
Capital Grants and Contributions	11,202,930	3,479,996	0	-	11,202,930	3,479,996	11,202,930	3,479,996
<u>General Revenue:</u>								
Taxes, Penalties and Interest	52,069,017	44,196,407	0	-	52,069,017	44,196,407	52,069,017	44,196,407
Investment Income	5,410,102	3,439,120	75,603	41,649	5,485,705	3,480,769	5,485,705	3,480,769
Other Revenue	1,760,759	9,827,449	314,633	143,968	2,075,392	9,971,417	2,075,392	9,971,417
Total Revenue	99,779,256	89,521,688	1,447,150	1,242,098	101,226,406	90,763,786	101,226,406	90,763,786
Expenses								
General Government	20,023,636	16,709,942	0	-	20,023,636	16,709,942	20,023,636	16,709,942
Public Safety	35,189,844	30,025,498	0	-	35,189,344	30,025,498	35,189,344	30,025,498
Public Works	18,220,949	13,874,801	0	-	18,220,949	13,874,801	18,220,949	13,874,801
Health and Welfare	21,761,773	14,754,353	0	-	21,761,773	14,754,353	21,761,773	14,754,353
Cultural Recreation	31,256	8,664,562	0	-	31,256	8,664,562	31,256	8,664,562
Bond Issuance Cost	2,638,930	2,760,701	0	-	2,638,930	2,760,701	2,638,930	2,760,701
Fiscal Agent's Fees	47,631	36,741	0	-	47,631	36,741	47,631	36,741
Capital Outlay	0	1,013,062	0	-	0	1,013,062	0	1,013,062
Housing Assistance	0	0	70,578	-	70,578	0	70,578	0
Water	0	0	312,745	222,194	312,745	222,194	312,745	222,194
Wastewater	0	0	1,598,368	1,674,947	1,598,368	1,674,947	1,598,368	1,674,947
Operation and maintenance services	0	0	92,592	0	92,592	0	92,592	0
Total Expenses	97,914,019	87,839,660	2,074,283	1,897,141	99,988,302	89,736,801	99,988,302	89,736,801
Increase in net assets before transfers	1,865,237	1,682,028	(627,133)	(655,043)	1,238,104	1,026,985	1,238,104	1,026,985
Transfers	(4,256,926)	829,608	5,130,239	60,255	873,313	889,863	873,313	889,863
Change in Net Assets	(2,391,689)	2,511,636	4,503,106	(594,788)	2,111,417	1,916,848	2,111,417	1,916,848
Net Assets – Beginning of year	200,906,271	109,028,064	56,500,235	52,035,813	257,406,506	161,063,877	257,406,506	161,063,877
Restatements	9,288,033	89,366,571	(938,186)	5,059,210	8,349,847	94,425,781	8,349,847	94,425,781
Net assets – End of year	\$ 207,802,615	\$ 200,906,271	\$ 60,065,155	\$ 56,500,235	\$ 267,867,770	\$ 257,406,506	\$ 267,867,770	\$ 257,406,506

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

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

Dona Ana County
Condensed Balance Sheet of Government Funds
As of June 30, 2007 and 2006

	2007	2006	2007	2006	2007	2006	2006
	General Fund	General Fund	Health Services (SLIAG)	Health Services (SLIAG)	Indigent Hospital Care	Province Health Care Grant	County Admin Bldg Project
Assets							
Pooled cash and investment	\$ 45,861,759	\$45,043,642	\$10,529,530	\$ 1,244,395	\$ 1,289,071	\$ 4,634,492	\$ 691,032
Interest Receivable	133,404	3,926	0	0	0	4,135	1,647
Taxes Receivable	5,732,152	3,162,137	0	0	1,112,547	-	-
Allowance For Uncollectible Taxes	(50,561)	(520,508)	0	0	0	-	-
Accounts Receivable, Net	1,304,640	2,281,839	334,000	479,741	0	-	-
Intergovernmental receivables	957,735	-	0	0	0	-	-
Due From Other Funds	2,786,011	1,049,823	0	0	0	-	-
Inventories	9,097	170,615	0	0	0	-	-
Total Assets	56,734,237	51,191,474	10,863,530	1,724,136	2,401,618	4,638,627	692,679
Liabilities and Fund Balance Liabilities							
A/P, accruals and other liabilities	2,891,929	2,211,855	112,367	27,297	0	0	124,333
Deferred revenues	9,864,700	5,891,245	0	0	0	5,000,000	-
Total Liabilities	12,756,629	8,103,100	112,367	27,297	0	5,000,000	124,333
Fund Balances							
Reserved	2,900,094	12,661,612	0	0	0	0	568,346
Unreserved designated	22,611,370	17,974,863	0	0	0	0	-
Unreserved and undesignated	18,466,144	12,451,899	10,751,163	1,696,859	2,401,618	(361,373)	-
Total Fund Balances	43,977,608	43,088,374	10,751,163	1,090,871	2,401,618	(361,373)	568,346
Total Liabilities and Fund Balance	\$ 56,734,237	\$51,191,474	\$10,863,530	\$ 1,724,136	\$ 2,401,618	\$ 4,638,627	\$692,679

	2007	2006	2007	2006
	Nonmajor Governmental Funds	Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investment	\$25,882,056	\$29,094,316	\$ 83,562,416	\$ 80,707,877
Interest Receivable	30,890	33,883	164,294	43,591
Taxes Receivable	208,272	155,809	7,052,971	3,317,946
Allowance For Uncollectible Taxes	(2,992)	(26,604)	(53,553)	(547,112)
Accounts Receivable, Net	0	4,788,134	1,638,640	7,549,714
Intergovernmental receivables	3,987,893	12,484	4,945,628	12,484
Due From Other Funds	343,676	343	3,129,687	1,050,166
Inventories	0	(3)	9,097	170,612
Total Assets	30,449,795	34,058,362	100,449,180	92,305,278
Liabilities and Fund Balance Liabilities				
A/P, accruals and other liabilities	4,853,604	3,059,754	7,857,900	5,423,239
Deferred revenues	790,503	1,417,973	10,655,203	12,309,218
Total Liabilities	5,644,107	4,477,727	18,513,103	17,732,457
Fund Balances				
Reserved	8,088,059	6,892,094	10,988,153	20,122,052
Unreserved designated	-	-	22,611,370	17,974,863
Unreserved and undesignated	16,717,629	22,688,541	48,336,554	36,475,906
Total Fund Balances	24,805,688	29,580,635	81,936,077	74,572,821
Total Liabilities and Fund Balance	\$ 30,449,795	\$34,058,362	\$100,449,180	\$92,305,278

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

The unreserved and undesignated portion of the total governmental fund balance is \$48,336,554 and is available for spending at the County's discretion. Of the amount remaining in fund balance, \$22,611,370 is designated for health care and \$10,988,153 is reserved for debt service and inventories.

As of the end of fiscal year 2007, the County's governmental funds reported combined ending fund balances of \$81,936,077, an increase of \$7,363,256 in comparison with the prior year. The general fund balance at the end of fiscal year 2007 is reported at \$43,977,608, which is an increase of \$889,233. This shows that tax revenue increases kept pace with expenditure increases; the County entering into Union Agreements with the Sheriff's office and providing non-union employees with a 3.2% cost of living adjustment, increased insurance premiums, Capital Outlay Purchases and other financing sources.

Dona Ana County
Condensed Schedule of Government Funds
Changes In Fund Balance
As of June 30, 2007 and 2006

	2007	2006	2007	2006	2007	2006	2006
	General Fund	General Fund	Health Services (SLIAG)	Health Services (SLIAG)	Indigent Hospital Care	Province Health Care Grant	County Admin Bldg Project
Fund Balance							
Total Revenue	\$ 61,720,474	\$ 52,782,723	\$11,329,523	\$ 1,788,709	\$ 6,357,131	\$ 163,156	\$ 194,887
Total Expenditures	59,385,016	52,716,462	5,256,752	5,807,878	8,260,206	640,000	13,023,157
Other Financing Sources							
Bond Proceeds	0	0	0	0	0	0	-
Bond Issuance Cost	0	0	0	0	0	0	-
Bond Ref. Escrow Agent	0	0	0	0	0	0	-
Sale of Property	0	764,000	0	0	0	0	-
Transfers In	22,499,150	12,117,343	1,325,131	12,000	520,000	0	1,947,800
Transfers Out	(28,734,786)	(16,306,229)	(2,307,000)	(4,700,000)	0	0	-
Other (Uses)	0	-	0	-	0	0	-
Total Other Financing Sources (Uses)	(6,235,636)	(3,424,886)	(981,869)	(4,688,000)	520,000	0	1,947,800
Net Changes In Fund Balance	(3,900,178)	(3,358,625)	5,090,902	1,292,831	(1,383,075)	(476,844)	(10,880,470)
Fund Balance – July 1 (Beginning)	43,088,375	50,066,959	1,696,839	4,461,484	3,784,693	115,471	11,448,816
Restatements	4,789,411	(3,619,959)	3,963,422	(4,057,476)	0	0	-
Fund Balance – July 1 as restated	47,877,786	46,447,000	5,660,261	404,008	3,784,693	115,471	11,448,816
Fund Balance – June 30 (Ending)	\$ 43,977,608	\$ 43,088,375	\$10,751,163	\$ 1,696,839	\$ 2,401,618	\$ (361,373)	\$ 568,346

	2007	2006	2007	2006
	Nonmajor Governmental Fund	Nonmajor Governmental Fund	Total Governmental Funds	Total Governmental Funds
Fund Balance				
Total Revenue	\$ 19,652,208	\$ 24,512,868	\$ 99,059,336	\$ 89,442,343
Total Expenditures	23,188,717	29,172,391	96,090,691	101,359,888
Other Financing Sources				
Bond Proceeds	0	1,341,330	0	1,341,330
Bond Issuance Cost	0	0	0	-
Bond Ref. Escrow Agent	0	0	0	-
Sale of Property	0	0	0	764,000
Transfers In	7,850,253	10,246,759	32,194,534	24,323,902
Transfers Out	(1,222,484)	(2,441,407)	32,264,270	(23,447,636)
Other (Uses)	(5,126,502)	-	(5,126,502)	-
Total Other Financing Sources (Uses)	1,501,267	9,146,682	(5,196,238)	2,981,596
Net Changes In Fund Balance	(2,035,242)	4,487,159	(2,227,593)	(8,935,949)
Fund Balance – July 1 (Beginning)	26,002,915	27,107,068	74,572,822	93,199,798
Restatements	838,015	(2,013,592)	9,590,848	(9,691,027)
Fund Balance – July 1 as restated	26,840,930	25,093,476	84,163,670	83,508,771
Fund Balance – June 30 (Ending)	\$ 24,805,688	\$ 29,580,635	\$ 81,936,077	\$ 74,572,822

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are business-type funds, which include Water and Wastewater Systems, and HUD's Low Rent Housing Villa Sereno.

Total net assets of proprietary funds at the end of the year amounted to \$66,759,045.

Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities and capital assets.

Doña Ana County
Condensed Schedule of All Proprietary Funds
As of June 30, 2007 and 2006

	2006		2007		2006		2007		2006	
	Border Water		Border Wastewater	Border Wastewater	South Central Wastewater	South Central Wastewater	South Central Wastewater	South Central Wastewater	South Central Wastewater	South Central Wastewater
Total Operating Revenues	\$	128,530	\$	88,352	\$	55,213	\$	613,621	\$	623,560
Total Operating Expenditures		222,194		163,421		183,780		963,151		846,209
Net Income From Operations		(93,664)		(75,069)		(128,567)		(349,530)		(222,649)
Non-Operating Revenue (Expenses)		4,164		1,785		21,826		19,613		3,770
Net Income		(89,500)		(73,284)		(106,741)		(329,917)		(218,879)
Capital Contributions		0		0		0		0		0
Net Transfers In (Out)		0		0		0		2,358,907		(159,900)
Change in Net Assets		(89,500)		(73,284)		(106,741)		4,290		(378,779)
Total Net Assets – July 1 (Beginning)		7,676,279		6,138,725		7,998,696		26,002,860		22,700,202
Restatements		2,525,439		968,808		(1,753,229)		(1,782,218)		3,681,439
Total Net Assets – June 30 (Ending)	\$	10,112,218	\$	7,034,249	\$	6,138,726	\$	26,253,922	\$	26,002,862

	2007		2006		2007		2006		2007	
	Nonmajor Enterprise Funds	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Enterprise Funds	Total Enterprise Funds	Total Enterprise Funds	Internal Service Fund	Internal Service Fund	Internal Service Fund	Internal Service Fund
Total Operating Revenues	548,384	290,682	1,250,357	1,097,985	1,250,357	1,097,985	1,543,381	1,543,381	1,543,381	1,543,381
Total Operating Expenditures	947,711	650,883	2,074,283	1,903,066	2,074,283	1,903,066	2,309,058	2,309,058	2,309,058	2,309,058
Net Income From Operations	(399,327)	(360,201)	(823,926)	(805,081)	(823,926)	(805,081)	(765,677)	(765,677)	(765,677)	(765,677)
Non-Operating Revenue (Expenses)	175,395	192,541	196,793	222,301	196,793	222,301	0	0	0	0
Net Income	(223,932)	(167,660)	(627,133)	(582,780)	(627,133)	(582,780)	(765,677)	(765,677)	(765,677)	(765,677)
Capital Contributions	2,767,595	586,588	5,126,502	586,588	5,126,502	586,588	0	0	0	0
Net Transfers In (Out)	(553)	(366,433)	3,737	(526,333)	3,737	(526,333)	939,312	939,312	939,312	939,312
Change in Net Assets	2,543,110	52,495	4,503,106	(522,525)	4,503,106	(522,525)	173,635	173,635	173,635	173,635
Total Net Assets – July 1 (Beginning)	24,358,651	13,660,637	56,500,236	52,035,814	56,500,236	52,035,814	171,414	171,414	171,414	171,414
Restatements	(124,776)	533,300	(938,186)	4,986,949	(938,186)	4,986,949	0	0	0	0
Total Net Assets – June 30 (Ending)	\$ 26,776,985	\$ 14,246,432	\$ 60,065,156	\$ 56,500,238	\$ 60,065,156	\$ 56,500,238	\$ 345,049	\$ 345,049	\$ 345,049	\$ 345,049

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Construction was completed on the Doña Ana County Government Business Center and the cost was transferred from the Construction –In-Progress account in the Governmental-type activities capital assets to the Infrastructure account in fiscal year 2007.

Construction was completed on the collection systems for La Union wastewater utilities. The cost for La Union was transferred from the Construction-In-Progress account to the Infrastructure account.

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2007 was \$242,602,841 (net of accumulated depreciation) which is less than 1% over the prior fiscal year; this is due to the County depreciating assets at the same pace as new assets are acquired. The County has spent the prior four fiscal years, to include the current fiscal year, making the counties governmental accounting seem more business like. This investment in capital assets includes land, buildings, building improvements, equipment, infrastructure, and work in progress.

Major capital asset events during the current fiscal year included:

- Re-classification of the Santa Teresa Airport taxi-ways from Construction-In-Process to Infrastructure
- Continued construction on several of the County's utility projects such as utility infrastructure systems

More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

Long-Term Debt

The County's outstanding notes and bonded debt decreased by \$460,451 or less than 1% during the fiscal year 2007. Notes payable increased 2%; this increase is due to the County drawing down an additional \$642,350 of the \$5.4 million of the Clean Water State Revolving Loan. Bonded debt decreased by \$2,730,000 or 4.9% during the fiscal year.

At the end of fiscal year 2007, the County had total long-term debt outstanding to various agencies of \$64,471,992 or a 2.5% (\$2,346,791) decrease from the prior fiscal year.

Dona Ana County
Condensed Schedule of Outstanding Debt
As of June 30, 2007 and 2006

	Governmental Activities		Business-Type Activities		Total Activity	
	2007	2006	2007	2006	2007	2006
Revenue Bonds	\$ 41,925,000	\$ 43,950,000	\$ 0	\$ 0	\$ 41,925,000	\$ 43,950,000
Special Assessment Bonds	7,070,000	7,325,000	0	0	7,070,000	7,325,000
General Obligation Bonds	3,510,000	3,960,000	0	0	3,510,000	3,960,000
Notes Payable	1,531,938	1,680,203	3,832,051	3,189,701	5,363,989	4,869,904
Capital Leases	1,533,065	2,326,845	0	0	1,533,065	2,326,845
Verde Group Liability	0	0	1,719,877	1,067,097	1,719,877	1,067,097
Total Outstanding Debt	<u>\$ 55,570,003</u>	<u>\$ 53,692,048</u>	<u>\$ 5,551,928</u>	<u>\$ 4,256,798</u>	<u>\$ 61,121,931</u>	<u>\$ 63,498,846</u>

Additional information on the County's debt can be found in Note 7 beginning on page 48 of this report.

DONA ANA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

Economic Outlook

There is not expected to be any significant impact to the County's financial position or results of operations in the next year that is currently known.

REQUEST FOR INFORMATION

The financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional information, contact the County's Financial Services Director, 845 N Motel Blvd, Las Cruces, New Mexico 88007.

DONA ANA COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash equivalents	\$83,362,416	\$2,172,443	\$85,534,859
Investments	200,000	0	200,000
Receivables (net of allowance for uncollectibles)	13,747,980	718,518	14,466,498
Internal balances	(1,023,184)	1,023,184	0
Prepays	750,403	0	750,403
Inventories	9,097	118,889	127,986
Capital Assets:			
Land and construction in progress	12,001,017	12,562,188	24,563,205
Other capital assets, net of accumulated depreciation	168,572,506	49,467,130	218,039,636
Total assets	277,620,235	66,062,352	343,682,587
LIABILITIES			
Accounts payable	1,301,283	179,446	1,480,729
Wages and salaries payable	559,498	7,562	567,060
Interest payable	212,226	0	212,226
Settlement payable	1,325,000	0	1,325,000
Other current liabilities	174,199	90,717	264,916
Deferred revenues	7,358,941	133,953	7,492,894
Noncurrent Liabilities:			
Due within one year	3,155,245	0	3,155,245
Due in more than one year	55,731,228	5,585,519	61,316,747
Total liabilities	69,817,620	5,997,197	75,814,817
NET ASSETS			
Invested in capital assets, net of related debt	125,003,520	56,477,390	181,480,910
Restricted for:			
Debt Service	8,256,825	0	8,256,825
Unrestricted Net Assets	74,542,270	3,587,765	78,130,035
Total net assets	\$207,802,615	\$60,065,155	\$267,867,770

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental Activities:							
General government	\$20,023,636	\$3,523,345	\$3,148,553	\$19,480	(\$13,332,258)	\$0	(\$13,332,258)
Public safety	35,189,844	10,281,053	2,556,455	1,579,386	(20,772,950)	0	(20,772,950)
Public works	18,220,949	1,636,303	67,580	7,654,320	(8,862,746)	0	(8,862,746)
Health and welfare	21,761,773	175,292	7,906,482	250,454	(13,429,545)	0	(13,429,545)
Cultural and recreation	31,256	33,595	7,790	1,699,290	1,709,419	0	1,709,419
Bond interest	2,638,930	0	0	0	(2,638,930)	0	(2,638,930)
Fiscal agent's fees	47,631	0	0	0	(47,631)	0	(47,631)
<i>Total governmental activities</i>	<i>97,914,019</i>	<i>15,649,588</i>	<i>13,686,860</i>	<i>11,202,930</i>	<i>(57,374,641)</i>	<i>0</i>	<i>(57,374,641)</i>
Business-Type Activities:							
Operation and maintenance serv.	92,592	167,824	0	0	0	75,232	75,232
Water services	312,745	104,327	0	0	0	(208,418)	(208,418)
Sewage services	1,598,368	729,329	0	0	0	(869,039)	(869,039)
Housing assistance	70,578	21,708	33,726	0	0	(15,144)	(15,144)
<i>Total business-type activities</i>	<i>2,074,283</i>	<i>1,023,188</i>	<i>33,726</i>	<i>0</i>	<i>0</i>	<i>(1,017,369)</i>	<i>(1,017,369)</i>
Total primary government	\$99,988,302	\$16,672,776	\$13,720,586	\$11,202,930	(\$57,374,641)	(\$1,017,369)	(\$58,392,010)

General Revenues

Taxes:

Property taxes, levied for general purposes	\$33,135,388	\$0	\$33,135,388
State taxes	16,515,545	0	16,515,545
Payments in lieu of taxes	1,734,679	0	1,734,679
License and permits	533,967	0	533,967
Penalties and interest	683,405	0	683,405
Miscellaneous	1,618,827	227,169	1,845,996
Gain/loss on asset disposals	(392,035)	87,464	(304,571)
Investment earnings	5,410,102	75,603	5,485,705
Operating transfers, net	869,576	3,737	873,313
Capital transfers, net	(5,126,502)	5,126,502	0
<i>Total general revenues and transfers</i>	<i>54,982,952</i>	<i>5,520,475</i>	<i>60,503,427</i>
Change in net assets	(2,391,689)	4,503,106	2,111,417
Net assets, beginning	200,906,271	56,500,235	257,406,506
Restatements	9,288,033	(938,186)	8,349,847
<i>Net assets, beginning restated</i>	<i>210,194,304</i>	<i>55,562,049</i>	<i>265,756,353</i>
Net assets, ending	\$207,802,615	\$60,065,155	\$267,867,770

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007

	General Fund	Health Services (SLIAG)	Indigent Hospital Care	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$45,661,759	\$10,529,530	\$1,289,071	\$25,882,056	\$83,362,416
Investments - current	200,000	0	0	0	200,000
Interest receivable	133,404	0	0	30,890	164,294
Taxes receivable (net of allowance)	5,681,591	0	1,112,547	205,280	6,999,418
Receivables (net allowance for uncollectibles)	1,304,640	334,000	0	0	1,638,640
Intergovernmental receivables	957,735	0	0	3,987,893	4,945,628
Due from other funds	2,786,011	0	0	343,676	3,129,687
Inventories	9,097	0	0	0	9,097
Total assets	\$56,734,237	\$10,863,530	\$2,401,618	\$30,449,795	\$100,449,180
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$780,375	\$101,782	\$0	\$419,126	\$1,301,283
Wages and salaries payable	469,340	10,585	0	79,573	559,498
Due to other funds	143,015	0	0	4,354,905	4,497,920
Settlement payable	1,325,000	0	0	0	1,325,000
Other liabilities	174,199	0	0	0	174,199
Deferred revenues	9,864,700	0	0	790,503	10,655,203
Total liabilities	12,756,629	112,367	0	5,644,107	18,513,103
Fund Balances:					
Reserved for:					
Debt Service	2,890,997	0	0	5,365,828	8,256,825
Capital acquisition	0	0	0	2,722,231	2,722,231
Inventories	9,097	0	0	0	9,097
Unreserved Designated For:					
Healthcare	22,611,370	0	0	0	22,611,370
Unreserved and Undesignated:					
Reported in the General Fund	18,466,144	0	0	0	18,466,144
Reported in the Special Revenue Fund	0	10,751,163	2,401,618	16,717,629	29,870,410
Total fund balances	43,977,608	10,751,163	2,401,618	24,805,688	81,936,077
Total liabilities and fund balances	\$56,734,237	\$10,863,530	\$2,401,618	\$30,449,795	\$100,449,180

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
RECONCILIATION OF THE FUND BALANCE OF GOVERNMENTAL FUNDS
TO GOVERNMENTAL ACTIVITIES NET ASSETS
JUNE 30, 2007

FUND BALANCE of Governmental Funds	\$81,936,077
Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds.	180,573,523
Long-term liabilities, including bonds payable, notes payable, capital leases payable, and compensated absences, are not due and payable in the current period and therefore, are not reported in the funds.	(58,886,473)
In order to convert to the full accrual basis of accounting, it is necessary to recognize deferred revenue as revenue (\$3,296,262), accrued interest payable on long-term debt (\$212,226) and prepaid items (\$750,403).	3,834,439
Internal service funds are used by management to charge the costs of Fleet Maintenance to individual funds. The governmental activities portion of the loss has been added back to the related functions, as well as, the transfers from the governmental funds.	345,049
<i>Net assets of governmental activities</i>	\$207,802,615

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	General Fund	Health Services (SLIAG)	Indigent Hospital Care	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property taxes	\$23,920,339	\$0	\$6,252,243	\$1,837,920	\$32,010,502
General sales and use taxes	12,136,600	2,000,000	0	2,378,945	16,515,545
Penalty and interest on taxes	683,405	0	0	0	683,405
Payment in lieu of taxes	1,734,679	0	0	0	1,734,679
Licenses and permits	533,967	0	0	0	533,967
Intergovernmental revenue and grants	13,993,733	24,256	0	12,935,869	26,953,858
Fees and charges for services	4,547,048	0	0	1,233,514	5,780,562
Investment earnings	2,691,721	1,388,836	104,888	1,224,657	5,410,102
Rents and royalties	279,598	0	0	0	279,598
Contributions and donations from private sources	5,000	7,799,958	0	0	7,804,958
Other revenue	1,194,384	116,473	0	41,303	1,352,160
Total revenues	61,720,474	11,329,523	6,357,131	19,652,208	99,059,336
EXPENDITURES					
Current:					
General government	15,457,262	0	0	561,943	16,019,205
Public safety	24,606,906	0	0	7,202,891	31,809,797
Public works	10,659,832	0	0	0	10,659,832
Health and welfare	5,076,706	5,256,752	8,260,206	2,840,350	21,434,014
Culture and recreation	16,551	0	0	1,371	17,922
Debt Service:					
Bond principal	0	0	0	2,730,000	2,730,000
Bond interest	0	0	0	2,933,964	2,933,964
Fiscal agent's fees	0	0	0	47,631	47,631
Capital Outlay:					
Capital outlay	3,567,759	0	0	6,870,567	10,438,326
Total expenditures	59,385,016	5,256,752	8,260,206	23,188,717	96,090,691
<i>Excess (deficiency) of revenues over (under) expenditures</i>	2,335,458	6,072,771	(1,903,075)	(3,536,509)	2,968,645
Other Financing Sources (Uses):					
Transfers in	22,499,150	1,325,131	520,000	7,850,253	32,194,534
Transfers out (use)	(28,734,786)	(2,307,000)	0	(1,222,484)	(32,264,270)
Capital transfers out (use)	0	0	0	(5,126,502)	(5,126,502)
Total other financing sources (uses)	(6,235,636)	(981,869)	520,000	1,501,267	(5,196,238)
Net change in fund balances	(3,900,178)	5,090,902	(1,383,075)	(2,035,242)	(2,227,593)
Fund balance - July 1, beginning	43,088,375	1,696,839	3,784,693	26,002,915	74,572,822
Restatements	4,789,411	3,963,422	0	838,015	9,590,848
Fund balance - July 1, as restated	47,877,786	5,660,261	3,784,693	26,840,930	84,163,670
Fund balance - June 30, ending	\$43,977,608	\$10,751,163	\$2,401,618	\$24,805,688	\$81,936,077

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Total Net Change in Fund Balances - Governmental Funds

(\$2,227,593)

Current year capital outlays, net of losses from deletions were \$8,924,651 and long-term debt principal payments totaled \$3,672,045. In addition, the change in compensated absences (also long-term debt) caused a decrease of (\$20,929). These amounts are expenditures or other resources in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt and revenues in the government-wide financial statements. The net effect of removing the 2007 capital outlays, debt principal payments and other resources is to increase net assets.

12,575,767

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.

(14,333,418)

Internal service funds are used by management to charge the costs of Fleet Maintenance to individual funds. The governmental activities portion of the loss has been added back to the related functions.

173,635

Other reclassification are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting to show the revenue earned from the current year's tax levy, which totaled \$1,124,886 and the change in accrued interest payable on long-term debt of \$295,034.

1,419,920

Change in net assets of governmental activities

(\$2,391,689)

DONA ANA COUNTY
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	\$33,019,270	\$33,012,211	\$35,348,873	\$2,336,662
Payment-in-lieu-of-taxes	1,706,099	1,706,099	1,743,867	37,768
Licenses and permits	575,950	575,950	533,967	(41,983)
Intergovernmental revenue and grants	7,319,029	9,333,860	4,455,830	(4,878,030)
Charges for services	11,905,302	11,905,302	13,146,704	1,241,402
Investment earnings	1,525,642	1,521,907	2,711,244	1,189,337
Other revenue	1,467,125	1,467,625	2,673,027	1,205,402
<i>Total revenues</i>	<u>57,518,417</u>	<u>59,522,954</u>	<u>60,613,512</u>	<u>1,090,558</u>
EXPENDITURES				
Current:				
General government	19,925,632	20,097,632	18,632,278	1,465,354
Public safety	27,887,175	25,751,622	24,481,660	1,269,962
Public works	13,080,674	12,330,897	8,849,621	3,481,276
Health and welfare	5,302,650	5,302,650	5,297,468	5,182
Cultural and recreation	35,000	35,000	17,298	17,702
<i>Total expenditures</i>	<u>66,231,131</u>	<u>63,517,801</u>	<u>57,278,325</u>	<u>6,239,476</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(8,712,714)	(3,994,847)	3,335,187	7,330,034
Other Financing Sources (Uses):				
Sale of real and personal property	2,152,000	2,152,000	0	(2,152,000)
Transfers in	19,387,469	22,499,150	22,499,150	0
Transfers (out) use	(26,043,160)	(28,734,786)	(28,734,786)	0
<i>Total other financing sources (uses)</i>	<u>(4,503,691)</u>	<u>(4,083,636)</u>	<u>(6,235,636)</u>	<u>(2,152,000)</u>
<i>Excess (deficiency of revenues over expenditures and other financing sources (uses))</i>	(13,216,405)	(8,078,483)	(2,900,449)	5,178,034
Budgeted cash carryover	<u>13,216,405</u>	<u>8,078,483</u>	<u>8,078,483</u>	<u>0</u>
	\$0	\$0	\$5,178,034	\$5,178,034

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
HEALTH SERVICES (SLIAG)
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$3,481,915	\$3,481,915	\$2,075,081	(\$1,406,834)
Charges for services	0	0	0	0
Other	6,955,418	7,015,418	7,916,430	901,012
Investment earnings	885,000	885,000	1,388,837	503,837
<i>Total revenues</i>	<u>11,322,333</u>	<u>11,382,333</u>	<u>11,380,348</u>	<u>(1,985)</u>
EXPENDITURES				
Current:				
Personnel	841,697	986,897	795,285	191,612
Operating	6,399,688	6,590,588	4,365,754	2,224,834
Capital outlay	8,400	18,500	10,650	7,850
<i>Total expenditures</i>	<u>7,249,785</u>	<u>7,595,985</u>	<u>5,171,689</u>	<u>2,424,296</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	4,072,548	3,786,348	6,208,659	2,422,311
Other Financing Sources (Uses):				
Transfers in	1,325,131	1,325,131	1,325,131	0
Transfers (out) use	(2,087,000)	(2,307,000)	(2,307,000)	0
<i>Total other financing sources (uses)</i>	<u>(761,869)</u>	<u>(981,869)</u>	<u>(981,869)</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$3,310,679</u>	<u>\$2,804,479</u>	<u>\$5,226,790</u>	<u>\$2,422,311</u>

DONA ANA COUNTY
INDIGENT HOSPITAL CARE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$4,800,000	\$4,800,000	\$6,195,942	\$1,395,942
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	70,000	70,000	104,888	34,888
<i>Total revenues</i>	<u>4,870,000</u>	<u>4,870,000</u>	<u>6,300,830</u>	<u>1,430,830</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	7,200,688	8,261,068	8,260,205	863
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>7,200,688</u>	<u>8,261,068</u>	<u>8,260,205</u>	<u>863</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(2,330,688)	(3,391,068)	(1,959,375)	1,431,693
Other Financing Sources (Uses):				
Transfers in	300,000	520,000	520,000	0
Transfers (out) use	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>300,000</u>	<u>520,000</u>	<u>520,000</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(2,030,688)	(2,871,068)	(1,439,375)	1,431,693
Budgeted cash carryover	2,030,688	2,871,068	2,871,068	0
	<u>\$0</u>	<u>\$0</u>	<u>\$1,431,693</u>	<u>\$1,431,693</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
PROPRIETARY FUNDS
STATEMENTS OF NET ASSETS
JUNE 30, 2007

	<u>Business-Type Activities</u>		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund Fleet
	Border Wastewater	South Central Wastewater			
ASSETS					
Current Assets:					
Cash and cash equivalents	\$44,450	\$470,817	\$1,314,321	\$1,829,588	\$342,855
Accounts receivable - net of allowance	2,615	52,245	663,658	718,518	0
Inventory	0	0	0	0	118,889
Due from other funds	1,719,877	0	0	1,719,877	0
<i>Total current assets</i>	<u>1,766,942</u>	<u>523,062</u>	<u>1,977,979</u>	<u>4,267,983</u>	<u>461,744</u>
Non-Current Assets:					
Capital Assets:					
Land	2,757,810	172,137	4,374,996	7,304,943	0
Construction in progress	17,483	3,791,004	1,448,758	5,257,245	0
Infrastructure	5,124,702	25,354,800	22,966,540	53,446,042	0
Buildings	0	0	623,189	623,189	0
Machinery and equipment	20,894	161,590	60,787	243,271	0
Accumulated depreciation	(895,719)	(1,487,473)	(2,462,180)	(4,845,372)	0
<i>Total noncurrent assets</i>	<u>7,025,170</u>	<u>27,992,058</u>	<u>27,012,090</u>	<u>62,029,318</u>	<u>0</u>
Total assets	<u>\$8,792,112</u>	<u>\$28,515,120</u>	<u>\$28,990,069</u>	<u>\$66,297,301</u>	<u>\$461,744</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$671	\$9,324	\$61,314	\$71,309	\$108,136
Wages and salaries payable	0	0	0	0	7,562
Deferred revenue	37,315	0	96,638	133,953	0
Other current liabilities	0	0	89,720	89,720	997
Due to other funds	0	0	351,644	351,644	0
<i>Total current liabilities</i>	<u>37,986</u>	<u>9,324</u>	<u>599,316</u>	<u>646,626</u>	<u>116,695</u>
Non-Current Liabilities:					
Notes payable - noncurrent	1,719,877	2,220,742	1,611,309	5,551,928	0
Other noncurrent liabilities	0	31,132	2,459	33,591	0
<i>Total non-current liabilities</i>	<u>1,719,877</u>	<u>2,251,874</u>	<u>1,613,768</u>	<u>5,585,519</u>	<u>0</u>
<i>Total liabilities</i>	<u>1,757,863</u>	<u>2,261,198</u>	<u>2,213,084</u>	<u>6,232,145</u>	<u>116,695</u>
NET ASSETS					
Invested in capital assets, net of related debt	5,305,293	25,771,316	25,400,781	56,477,390	0
Unrestricted net assets	1,728,956	482,606	1,376,204	3,587,766	345,049
<i>Total net assets</i>	<u>7,034,249</u>	<u>26,253,922</u>	<u>26,776,985</u>	<u>60,065,156</u>	<u>345,049</u>
Total liabilities and net assets	<u>\$8,792,112</u>	<u>\$28,515,120</u>	<u>\$28,990,069</u>	<u>\$66,297,301</u>	<u>\$461,744</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Business-Type Activities</u>		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund Fleet
	Border Wastewater	South Central Wastewater			
OPERATING REVENUES					
Charges for services	\$27,546	\$140,278	\$0	\$167,824	\$1,543,381
Charges for water services	0	0	104,327	104,327	0
Charges for sewerage service	38,935	473,093	217,301	729,329	0
Rents and royalties	0	0	163,792	163,792	0
Other revenue	21,871	250	62,964	85,085	0
<i>Total operating revenues</i>	<u>88,352</u>	<u>613,621</u>	<u>548,384</u>	<u>1,250,357</u>	<u>1,543,381</u>
OPERATING EXPENSES					
Personnel services - salaries and wages	14,420	225,835	84,869	325,124	464,537
Personnel services - employee benefits	4,419	32,385	21,999	58,803	78,673
Purchased professional and technical services	4,135	22,095	151,980	178,210	225
Purchased property services	37,715	75,187	32,229	145,131	0
Other operating expenses	2,639	113,956	174,060	290,655	1,736,047
Supplies	591	6,179	3,232	10,002	29,576
Depreciation	99,502	487,514	479,342	1,066,358	0
<i>Total operating expenses</i>	<u>163,421</u>	<u>963,151</u>	<u>947,711</u>	<u>2,074,283</u>	<u>2,309,058</u>
<i>Operating income (loss)</i>	<u>(75,069)</u>	<u>(349,530)</u>	<u>(399,327)</u>	<u>(823,926)</u>	<u>(765,677)</u>
NON-OPERATING REVENUES (EXPENSES)					
Gain on sale of property	0	0	87,464	87,464	0
Grants (not capital grants)	0	0	33,726	33,726	0
Investment earnings	1,785	19,613	54,205	75,603	0
<i>Total non-operating revenues (expenses)</i>	<u>1,785</u>	<u>19,613</u>	<u>175,395</u>	<u>196,793</u>	<u>0</u>
<i>Income (loss) before transfers</i>	<u>(73,284)</u>	<u>(329,917)</u>	<u>(223,932)</u>	<u>(627,133)</u>	<u>(765,677)</u>
Transfers in	0	51,900	72,144	124,044	939,312
Capital transfer in	0	2,358,907	2,982,800	5,341,707	0
Capital transfers out	0	0	(215,205)	(215,205)	0
Transfers out	0	(47,610)	(72,697)	(120,307)	0
<i>Change in net assets</i>	<u>(73,284)</u>	<u>2,033,280</u>	<u>2,543,110</u>	<u>4,503,106</u>	<u>173,635</u>
Total net assets - July 1, beginning	6,138,725	26,002,860	24,358,651	56,500,236	0
Restatements	968,808	(1,782,218)	(124,776)	(938,186)	171,414
Total net assets - July 1, restated	<u>7,107,533</u>	<u>24,220,642</u>	<u>24,233,875</u>	<u>55,562,050</u>	<u>171,414</u>
<i>Total net assets - June 30, ending</i>	<u>\$7,034,249</u>	<u>\$26,253,922</u>	<u>\$26,776,985</u>	<u>\$60,065,156</u>	<u>\$345,049</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
PROPRIETARY FUND TYPES
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Business-Type Activities</u>		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund Fleet
	Border Wastewater	South Central Wastewater			
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from user charges	\$90,810	\$674,193	\$1,372,277	\$2,137,280	\$1,543,381
Cash payments to employees for services	(19,550)	(253,195)	(109,597)	(382,342)	(544,254)
Cash payments for suppliers	(48,419)	(213,150)	(408,122)	(669,691)	(1,761,266)
<i>Net cash provided by (used for) operating activities</i>	22,841	207,848	854,558	1,085,247	(762,139)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating transfers (out)	(652,780)	4,290	(776,295)	(1,424,785)	154,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	0	(2,416,403)	(3,517,551)	(5,933,954)	0
Capital contributed by (to) other funds	0	2,358,907	2,432,411	4,791,318	939,696
Proceeds from sale of assets	0	0	299,340	299,340	0
Proceeds from debt	652,780	0	642,350	1,295,130	0
Interest paid on debt	(11,564)	(23,066)	(25,014)	(59,644)	0
Due to HACLC	0	0	89,720	89,720	0
Grant revenue	0	0	33,726	33,726	0
Due from sale of assets	0	0	(67,669)	(67,669)	0
<i>Net cash provided by (used for) capital and related financing activities</i>	641,216	(80,562)	(112,687)	447,967	939,696
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and dividends on investments	1,785	19,613	54,205	75,603	0
<i>Net increase (decrease) in cash and cash equivalents</i>	13,062	151,189	19,781	184,032	331,785
Cash and cash equivalents at beginning of year	31,388	319,628	1,294,540	1,645,556	11,070
<i>Cash and cash equivalents at end of year</i>	\$44,450	\$470,817	\$1,314,321	\$1,829,588	\$342,855
Prior year audited cash	(882,785)			731,383	
Restatements (Note 15)	914,173			914,173	
Beginning cash restated	31,388			1,645,556	

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
PROPRIETARY FUND TYPES
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Business-Type Activities</u>		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund Fleet
	Border Wastewater	South Central Wastewater			
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For)					
Operating Activities:					
Operating income (loss)	(\$75,069)	(\$349,530)	(\$399,327)	(\$823,926)	(\$764,347)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For)					
Operating Activities:					
Depreciation	99,501	487,515	431,533	1,018,549	0
Effect of Increases and Decreases in Current Assets and Liabilities:					
Decrease (Increase) in:					
Receivables	2,458	60,572	822,239	885,269	0
Increase (Decrease) in:					
Accounts payable	(3,338)	4,266	1,188	2,116	4,582
Deferred revenue	0	0	1,654	1,654	0
Other	(711)	5,025	(2,729)	1,585	(2,374)
<i>Net cash provided by (used for) operating activities</i>	\$22,841	\$207,848	\$854,558	\$1,085,247	(\$762,139)
 Reconciliation of Total Cash and Cash Equivalents:					
Cash and cash equivalents on balance sheet	\$44,450	\$470,817	\$1,314,321	\$1,829,588	\$342,855

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2007

	Agency Funds
ASSETS	
Cash and cash equivalents	\$1,225,846
Taxes receivable, net allowance	4,553,577
Other receivables	121,118
<hr/>	
Total assets	\$5,900,541
<hr/>	
LIABILITIES	
Accounts payable	\$280
Overpayments	0
Taxes paid in advance	335,265
Taxes in suspense	434,891
Due to others	1,019,987
Notes payable	102,770
Deferred revenue	4,007,348
<hr/>	
Total liabilities	\$5,900,541
<hr/>	

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Description and Reporting Entity

The function of Dona Ana County is briefly addressed in the grant of powers provided to all New Mexico counties pursuant to state statute 4-37-1 NMSA 1978. The function is "...to provide for the safety, preserve the health, promote the prosperity, and improve the morals, order, comfort, and convenience of the county or its inhabitants..." The County operates under a Commission form of government rule, which oversees:

- the assessment, collection, and distribution of ad valorem taxes by an elected assessor and treasurer;
- law enforcement by an elected sheriff;
- recording and filing by an elected county clerk and elected probate judge;
- fire protection by volunteer fire departments;
- road maintenance by an appointed road superintendent;
- purchasing by an appointed purchasing agent;
- indigent hospital care by an appointed indigent coordinator;
- administrative services by an appointed county manager; and,
- planning, health, welfare, recreation, and cultural affairs by appointed citizen advisory boards.

The financial statements of Dona Ana County (County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County's most significant accounting policies are described below.

Reporting Entity

The financial statements of Dona Ana County encompass the activities of the County Commission, County Clerk, Tax Assessor, County Treasurer, Sheriff, and Probate Judge. The commission activity includes the function of the County Manager's office, the County Road Superintendent, the County Purchasing Agent, The Indigent Claims Coordinator, and the volunteer fire districts throughout the county.

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities. Based upon the application of these criteria, the Housing Authority of Dona Ana County is determined to be a department of the County whose governing body is substantively the same as the Board of County Commissioners. Accordingly, the Housing Authority is reported as part of the primary government.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Basis of Presentation

Government-Wide Statements – The Statement of Net Assets and the Statement of Activities display information about the government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the general fund as a major governmental fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

In addition, the County reports the following major funds:

- Special Revenue Fund – The Health Services Fund accounts for the activities of the County's indigent health care, which provides services to the residents of the County for local health services.
- Special Revenue Fund – The Indigent Hospital Care Fund accounts for the County's indigent charges for hospital services.
- Enterprise Fund – The Border Wastewater fund accounts for wastewater system activities for residents in a portion of the southern part of the County.
- Enterprise Fund – The South Central Wastewater fund accounts for the activities of the wastewater utility, which provides service to the residents in Vado/Del Cerro, Chamberino, Berino and south central areas of the County.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

The County also reports the following fund types:

- *Debt Service Funds* are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- *Agency Funds* are used to account for monies held by the County in a custodial capacity. They do not report operations or have a measurement focus.

Measurement Focus. Basis of Accounting

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Revenue from derived taxes (sales taxes, gas taxes, and motor vehicle taxes are recognized when the underlying transaction takes place (when the retail sale is generated). Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County has also elected to apply FASB Statements and Interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Assets Liabilities and Equity

Cash Equivalents

The County pools idle cash from all funds for the purpose of increasing income through investment activities. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in pooled cash and investments are considered to be cash equivalents for the purposes of the statement of cash flows.

Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. The County defines capital assets as assets with lives of greater than one year and a cost or donated value of \$5,000 or greater.

Donated capital assets are recorded at their estimated fair value at the date of donation. Major general infrastructure assets acquired prior to July 1, 2002 have not been recorded in the financial statements. Infrastructure assets put in service during the fiscal year ended June 30, 2003 have been recorded (predominantly roads and utilities). In addition, software purchased from vendors is capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	10
Infrastructure	5 - 50
Buildings and Improvements	10 - 40
Vehicles	4 - 12
Equipment and Furniture	3 - 15

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Budgets and Budgetary Accounting

The County adopts budgets for each individual fund (governmental and proprietary).

In late winter or early spring, the County prepares a budget calendar, thus starting the budgetary process for the upcoming July 1 fiscal year. Budget request forms are distributed to County departments and local service agencies with a specified completion date. Legally mandated advance notices are formally published for grant availability and other purposes once budget hearings have been scheduled. The budget hearings are then held with all County department heads and local service agency representatives. Generally, in late May or early June, a budget meeting is held for tentative approval of the completed budget. After tentative approval at the County level, the budget is submitted to the New Mexico Department of Finance and Administration (DFA) for approval of a temporary operational budget beginning July 1.

Immediately after July 1, when ending cash balances for the preceding fiscal year have been accurately ascertained, a final hearing is convened for finalization of the budget, and it is resubmitted to DFA for formal approval. None of the above budgetary processes are legally required to occur at any specified time; however DFA requires that the time frame be such that they (DFA) render their final budget approval no later than September 1 of the budget year in question.

During the course of the fiscal year, the County prepares monthly budget reports. Under New Mexico State law, each year's budget appropriation legally lapses at year-end.

Budgetary Compliance – Budgetary control is required to be maintained at the individual fund level (with the exception of the Housing Authority).

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

Budget Amendments – Budget increases and decreases can only be accomplished by Commission resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.

Budgetary Basis – State law prescribes that the County's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget as amended.

Budget – Housing Authority – The housing program budgets are established annually and approved by HUD (Housing and Urban Development). These housing budgets are used only as a guide. Should the housing programs incur expenditures over and above the original budgeted amount (predominantly housing assistance payments - section 8 program) additional funding will be requested and received from HUD. Therefore, the housing program budgets are a guide only and the grantor analyzes Housing Assistance payments in relation to administrative costs to determine if additional funding is warranted.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Investments

The County's investments are regulated by state law, as well as by guidelines and rules promulgated by the State Investment Council and the State Treasurer. All investments are generally highly liquid in nature and are integrated with cash on the financial statements with appropriate disclosure. Investments are stated at fair value, which is determined using selected bases. Certificates of deposit are reported at carrying amount, which reasonably estimates fair value. Investments in a U.S. Treasury Fund and repurchase agreements are valued at the last reported sales price at current exchange rates. Additional cash, investment information, and fair values are presented in Note 2.

The County also participates in the State Treasurer Local Government Investment Pool. This pool is regulated by state law and regulations. Investment in the pool is reported at carrying amount, which reasonably estimates fair value.

Deferred Revenue

The taxes receivable are an aggregate of uncollected amounts assessed for the current fiscal year, as well as delinquent balances carried forward from the nine preceding fiscal years. Except for taxes received in advance or under protest, tax revenue received is distributed within thirty days to other local governmental units and county funds. While some of the delinquent outstanding balances will eventually be eliminated through corrections, litigation, and other property tax administrative procedures, the majority of the balances will ultimately be realized through delinquent payment or tax sales. The aggregate amount of this ultimate realization is generally difficult to ascertain at any point in time. Thus, taxes not collected within sixty days of fiscal year end are carried in the liability section of the balance sheet as deferred revenue on the fund basis financial statements

Income Taxes

As a local government entity, the County is not subject to federal or state income taxes.

Compensated Absences

Accrued annual leave, sick leave, and compensatory time are the components of accrued compensated absences. An employee may not carry over more than 288 hours of vacation leave into a new calendar year, nor receive payment for more than 288 hours upon separation. Under a new human resources policy adopted November 27, 1999, only employees retiring through PERA, with a minimum of 15 years of County service, shall be paid for accrued sick leave hours, limited to a maximum of 600 hours, subject to a maximum cash payment of \$15,000. In addition, such employees shall be compensated for any unused sick leave hours accrued as of November 27, 1999, at the employee's pay rate in effect on that date. Compensatory time is accrued in full for non-exempt employees under the Fair Labor Standards Act.

Capitalized Interest

The County capitalizes net interest costs as part of the cost of constructing various projects when material. Of the total interest costs incurred of \$2,933,964 during fiscal year 2007, none was capitalized into fixed assets.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Interfund Transactions

Interfund Transfers In (Out)

There are transactions that constitute reimbursements to a fund for expenditures initially expended, from one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Interfund payables and receivables are reflected in the appropriate fund.

	Transfers Out:						Totals
	General Fund	Health Services Fund	Nonmajor Governmental Funds	South Central Wastewater	Nonmajor Enterprise Funds	Agency Funds	
Transfers In:							
General Fund	\$20,183,656	\$2,307,000	\$8,494	\$0	\$0	\$0	\$22,499,150
Health Services	1,325,131	0	0	0	0	0	1,325,131
Indigent Hospital Care	520,000	0	0	0	0	0	520,000
Nonmajor Governmental Funds	5,766,687	0	1,200,001	0	0	883,565	7,850,253
South Central Wastewater	0	0	0	47,610	4,290	0	51,900
Nonmajor Enterprise Funds	0	0	3,737	0	68,407	0	72,144
Internal Service Funds	939,312	0	0	0	0	0	939,312
Agency Funds	0	0	10,253	0	0	0	10,253
	\$28,734,786	\$2,307,000	\$1,222,485	\$47,610	\$72,697	\$883,565	\$33,268,143

Capital Transfers In (Out)

	Transfers Out		Totals
	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
Transfers In:			
South Center Wastewater	\$2,358,907	\$0	\$2,358,907
Nonmajor Enterprise Funds	2,767,595	215,205	2,982,800
<i>Totals</i>	\$5,126,502	\$215,205	\$5,341,707

Due From/To Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All balances are expected to be repaid within one year.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

	Due To:			Totals
	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
Due From:				
General Fund	\$0	\$2,434,367	\$351,644	\$2,786,011
Health Services Fund	0	0	0	0
Indigent Hospital Care	0	0	0	0
Nonmajor Governmental Funds	143,015	200,661	0	343,676
Border Wastewater	0	1,719,877	0	1,719,877
Nonmajor Enterprise Funds	0	0	0	0
<i>Totals</i>	\$143,015	\$4,354,905	\$351,644	\$4,849,564

NOTE 2. CASH AND CASH EQUIVALENTS

The County's cash balances are reserved from subsequent years and consist of demand deposits, interest bearing savings accounts, certificates of deposit and repurchase agreements. The certificates of deposit and repurchase agreements have varying interest rates and maturity dates. The majority of County cash and investments are co-mingled. All interest income is accounted for in the related funds.

The County's investments are governed by state law. State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. At present, state statutes require that a minimum of fifty percent of uninsured balances on deposit with anyone institution must be collateralized, with higher requirements up to 100% for financially troubled institutions. Investments in repurchase agreements must be collateralized at 102% of the contract.

The County has investments in the State Treasurer external investment pool. As such investments are valued at fair value based on quoted market price as of the valuation date. In addition, the State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares. Per Section 6-10-10 IF, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. The participation in the local government investment pool is voluntary.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and certificates of deposit at June 30, 2007 consisted of the following:

	CASH		Account Type
	Reconciled Balance	On Deposit June 30, 2007	
Petty Cash – Airport	\$100		
Petty Cash – Utilities	100		
Petty Cash – Finance	100		
Petty Cash – Road	500		
Petty Cash – Sheriff	300		
Petty Cash – Detention	200		
Petty Cash – Flood	100		
Petty Cash – HHS	100		
Cash – Informant	4,861		
Cash DAC Treasurer’s – Cash Drawers	1,000		
Cash DAC Clerk’s Office	100		
Bank of the West – Sheriff Account	649,304	1,031,711	Checking
BA DACDC Inmate Welfare Fund Account	109,264	110,931	Checking
Citizen’s Bank DCA – LCHA	1,757,792	1,799,892	Checking
Wells Fargo Bank Chaparral WW	100	100	Checking
Wells Fargo Bank Depository Account	12,317,139	953,363	Checking
Wells Fargo Bank DACDC Juvenile Account	132	3,822	Checking
Wells Fargo Bank DACDC Main Inmate Trust Account	38,569	85,024	Checking
Wells Fargo Bank Healthcare Custody MMC	2,090,484	2,090,484	Checking
Earned Discount/Premium	7,377	0	
Return Checks	40	0	
<i>Total cash</i>	<u>\$16,977,662</u>	<u>\$6,075,327</u>	

Held and Directed by Trustee

The County has investments that are directed by the New Mexico Mortgage Finance Authority for debt service as follows:

	Cost	Market	Risk Rating
Bank of Albuquerque:			
U.S. Treasury Fd #0052	\$5,073	\$5,073	Aaa
U.S. Treasury Fd #0052	991,100	991,100	Aaa
U.S. Treasury Fd #0052	577	577	Aaa
	<u>\$996,750</u>	<u>\$996,750</u>	
Bank of America: - Repo Rf			
U.S. Treasury Note 6.08507	\$165,374	\$165,374	N/A

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Investment

The County has investments related to various debt obligations directed by a third party agent with US Bank as follows:

	Cost	Market	Risk Rating
US Bank:			
First Union Combined Fds	\$2,412,000	\$2,412,000	Aaa
First American Treasury Obligation	775	775	Aaa
First American Treasury Obligation	461,008	461,008	Aaa
First American Treasury Obligation	272	272	Aaa
First American Treasury Obligation	149,143	149,143	Aaa
First American Treasury Obligation	378,604	378,604	Aaa
First American Treasury Obligation	912	912	Aaa
First American Treasury Obligation	39,072	39,072	Aaa
First American Treasury Obligation	83,981	83,981	Aaa
First American Treasury Obligation	224,909	224,909	Aaa
First American Treasury Obligation	6,341	6,341	Aaa
First American Treasury Obligation	15,854	15,854	Aaa
First American Treasury Obligation	19	19	Aaa
FGIC Capital Market Services			
Dated 2/16/2001 5.650%	221,500	221,500	Aaa
First American Treasury Obligation	138	138	Aaa
FGIC Capital Market Services			
Dated 2/16/2001 5.650%	556,000	556,000	Aaa
	<u>\$4,550,528</u>	<u>\$4,550,528</u>	
Wells Fargo Bank:			
Certificate of Deposit	\$100,000	\$100,000	
First New Mexico Bank:			
Certificate of Deposit	100,000	100,000	
White Sands:			
Certificate of Deposit	100,000	100,000	
State Treasurer:			
Pool	63,970,391	63,970,391	
	<u>\$64,270,391</u>	<u>\$64,270,391</u>	

All of the above investments have been shown as cash equivalents.

Governmental Activities	\$83,362,416
Business Type Activities	2,172,443
Fiduciary Funds	1,225,846
	<u>86,760,705</u>
Governmental Activities – Investments	200,000
	<u>\$86,960,705</u>

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Investment Type	Cost Basis	Market Value	Credit Risk- Rating	Weighted Average Maturity Days
State Investment Pool**	\$63,970,391	\$63,970,391	AAAm	50
CD's	300,000	300,000	NR	150
	<u>\$64,270,391</u>	<u>\$64,270,391</u>		

** The County's investment in the State Investment Pool was not rated, although the securities within the pool are rated.

- a. The investments are valued at fair value based on quoted market prices as of the valuation date;
- b. The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds with the advice and consent of the State Board of Finance in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10 1A and E, NMSA 1978.
- c. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts fund were invested; and
- d. Participation in the local government investment pool is voluntary.

Custodial Credit Risk Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County funds may not be returned. The County is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to 50% of the public money in each account. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the County complies with this law, it has no custodial credit risk for deposits.

The carrying amount of the deposits and investments were categorized to give an indication of the level of risk assumed by the County. As of June 30, 2007, of the \$86,960,705 bank balance none was exposed to custodial credit risk. The categories and amounts are shown below.

Insured, registered, or collateralized with securities held by the County or by its agent in the County's name	\$86,960,705
Uninsured, collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	0
Uninsured and uncollateralized	0
<u>Total cash, certificates of deposits and investments (on deposit)</u>	<u>\$86,960,705</u>

Custodial Credit Risk Investments – Custodial Credit Risk is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investments are not exposed to custodial credit risk. All are fully collateralized and the collateral is held in the County's name.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the County’s investment in a single issuer. The County’s investments are diversified to avoid incurring concentration of credit risk. With the exception of authorized pools, no more than 50% of the total investment portfolio is in one single security type or financial institution.

Credit Risk – The County’s investments shall be in accordance with State Law, 6-10-10, and 6-10-10.1 NMSA 1978, including but not limited to the following: Treasury Bills, Notes, Bonds, Strips, and US Government securities which are backed by the full faith and credit of the U.S. Government. Negotiable securities of the State of New Mexico or any county, municipality, or school district with the advice and consent of the Board of Finance per 6-10-44 NMSA 1978, 6-10-10FNMSA 1978, 6-10-10NMSA 1978.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the County investments. The County’s investment policy follows New Mexico State Statute Section 6-1 0-36E (NMSA, 1978 Comp) requiring the interest rate on time deposits shall not be less than the rated fixed by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States Treasury bills of the same maturity on the day of deposit.

Foreign Currency Risk – Deposits and Investments - The County is not exposed to the risk that changes in exchange rates will adversely affect the fair value of an investment as none of the investments pools nor certificates of deposit are dominated in a foreign currency.

NOTE 3. PLEDGED COLLATERAL UNDER STATE REQUIREMENTS

	Bank of America	Bank of Albuquerque	Bank of the West	Citizen’s Bank
Cash in bank, per June 30, 2007 bank statements	\$110,931	\$1,162,125	\$1,031,711	\$1,799,892
Less: U.S. Treasury obligations	0	(996,751)	0	0
Less: FDIC coverage	(100,000)	0	(100,000)	(100,000)
Uninsured public funds	10,931	165,374	931,711	1,699,892
50% Collateral requirements	5,465	82,687	465,995	0
100% Collateral requirements	0	0	0	1,699,892
Pledged Collateral held by financial institution’s agent in the agency’s name	(11,781)	(3,556,322)	(1,019,758)	(2,158,931)
<i>(Over) under</i>	(\$6,316)	(\$3,473,635)	\$553,763	(\$459,039)

	First New Mexico Bank	U.S. Bank	Wells Fargo Bank	White Sands
Cash in bank, per June 30, 2007 bank statements	\$100,000	\$4,550,528	\$16,624,529	\$100,000
Less: U.S. Treasury obligations	0	(900,020)	0	0
Less: FDIC coverage	(100,000)	0	(200,000)	(100,000)
Uninsured public funds	0	3,650,508	16,424,529	0
50% Collateral requirements	0	1,825,254	8,212,264	0
100% Collateral requirements	0	0	0	0
Pledged Collateral held by financial institution’s agent in the agency’s name	0	(3,481,756)	(38,316,767)	0
<i>Over (under)</i>	\$0	(\$1,656,502)	(\$30,104,503)	\$0

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 3. PLEDGED COLLATERAL UNDER STATE REQUIREMENTS (CONTINUED)

	CUSIP Number	PAR/Market Value	Maturity Date
Bank of America: U.S. Treasury Bond	912810EK0	\$11,781	08/15/2021
		<u>\$11,781</u>	
<i>Bank of America, NC</i>			
Bank of Albuquerque: U.S. Treasury INFL INDEX	912810Fr4	\$3,556,322	01/15/2025
		<u>\$3,556,322</u>	
<i>Bank of Albuquerque, NM</i>			
Bank of the West: Southern Sandoval, NMA	843789DE5	\$150,000	08/01/2014
FHLMC #G30138	3128CUEK8	244,620	12/01/2018
FHLMC FG #420191	31346AF83	175,138	06/01/2030
Dona Ana BRH CMNTY COLL	257578CP7	300,000	08/01/2010
Southern Sandoval, NMA	843789DC9	150,000	08/01/2012
		<u>\$1,019,758</u>	
<i>Bank of the West, NM</i>			
	CUSIP Number	PAR/Market Value	Maturity Date
Citizen's Bank: FHLB – Noncancellable – Housing	3133XHHW5	\$299,204	09/19/2008
FHLB – Noncancellable – Housing	3133X2BZ7	488,742	11/14/2008
FHLB – Noncancellable – Housing	3133XE1X3	984,349	03/11/2011
FHLB – Noncancellable – Housing	31331VCA2	386,636	12/11/2012
		<u>\$2,158,931</u>	
<i>Independent Bankers, Dallas, TX</i>			
U.S. Bank: FNMA	313586UV9	\$471,865	03/10/2016
Treasury Strips	912803BM4	157,496	11/15/2027
		<u>629,361</u>	
<i>U.S. Bank Trust National Association</i>			
U.S. Treasury Bond	912810DX3	1,309,101	11/15/2016
U.S. Treas Securities Stripped	912833KH2	1,543,294	05/15/2016
		<u>2,852,395</u>	
<i>PNC Wealth Management</i>			
Wells Fargo Bank: Federal Reserve Bank 6140G7F7	31409G7F7	\$38,316,767	05/01/2036
		<u>\$38,316,767</u>	
<i>Wells Fargo Bank, Minneapolis, MN</i>			

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 4. DISAGGREGATED RECEIVABLES

Receivables (net of applicable allowances for uncollectible accounts) at June 30, 2007 were as follows:

	Property Taxes	State Taxes	Detention Center Fees	Interest	Inter- governmental	Other	Total Receivables
Governmental Activities:							
General Fund	\$3,403,534	\$2,278,057	\$1,001,249	\$133,404	\$957,735	\$303,391	\$8,077,370
Health Services (SLIAG)	0	334,000	0	0	0	0	334,000
Indigent Hospital Care	0	1,112,547	0	0	0	0	1,112,547
Nonmajor special revenue	149,922	0	0	0	3,723,614	0	3,873,536
Debt Service	51,421	3,937	0	30,890	0	0	86,248
Nonmajor capital projects	0	0	0	0	264,279	0	264,279
Total Governmental Activities	\$3,604,877	\$3,728,541	1,001,249	\$164,294	\$4,945,628	\$303,391	\$13,747,980
Amounts not scheduled for collection during the subsequent year							
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Business-type Activities:							
Border Wastewater	\$0	\$0	\$0	\$0	\$0	\$2,615	\$2,615
South Central Wastewater	0	0	0	0	0	52,245	52,245
Nonmajor Enterprise Funds	0	0	0	0	0	663,658	663,658
Total Business-type Activities	\$0	\$0	\$0	\$0	\$0	\$718,518	\$718,518

Dona Ana County management has established the following allowance for uncollectible accounts.

General Fund:	
Allowance for landfill fees	\$360,044
Allowance for Road Department Receivables	\$10,000
Allowance for Airport Receivables	\$13,000
Allowance for Detention Center Receivables	\$73,440
Taxes receivable consist of the following	
General Fund (Net of allowance of \$50,561)	\$3,403,534
Special Revenue Funds:	
County Flood Commission (Net of allowance of \$2,227)	\$149,922
Debt Service Funds:	
G.O. Bond – Judicial (Net of allowance of \$765)	\$51,421
Agency Funds:	
Property Tax Fund (Net of allowance of \$67,645)	\$4,553,577

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 5. PROPERTY TAXES

Property taxes attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Current year taxes are levied within five days of the rate setting order received from New Mexico Department of Finance and Administration (7-38-32 thru 7-38-36). Tax bills are mailed by November 1, unless the Dona Ana County Assessor obtains a formal extension of time from the New Mexico Property Tax Division. Taxpayers have the option to pay in two equal installments due by the close of business November 10 and April 10. Penalty and interest will be accrued after the delinquency due dates of December 10 and May 10. In the event of a formal extension, the respective dates are correspondingly extended.

The County bills and collects its own taxes, as well as the taxes for three school districts, four municipalities, the Community College, the New Mexico Livestock Board, and the State of New Mexico. In tax year 2006, the County billed 8.120 per \$1,000 of net assessed valuation of residential property and 12.079 per \$1,000 of net assessed valuation of nonresidential property. The maximum rate for both types of property is 11.850. The statutory maximum rate for servicing long-term debt is unlimited, although the total amount of outstanding debt at anyone time is restricted by other factors. The County's share of the property taxes equal approximately 33.4% of the total and is used for general governmental services and retirement of long-term debt.

The County is required to report all real property delinquencies in excess of three years to the New Mexico Property Tax Division. The State, in turn, administers all subsequent collection actions and proceedings.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the County's primary government for the year ended June 30, 2007 was as follows:

	Balance 6/30/2006	Restatements	Additions	Transfers/ Deletions	Balance 6/30/2007
Governmental Activities:					
Land	\$7,344,243	\$0	\$353,860	\$0	\$7,698,103
Land improvements	5,279,995	0	168,304	0	5,448,299
Building and improvements	51,132,282	0	27,529,281	(834,439)	77,827,124
Furniture, fixtures, and equipment	12,834,493	0	2,600,098	0	15,434,591
Vehicles	9,307,980	0	1,849,835	(42,522)	11,115,293
Infrastructure	232,794,974	0	2,554,793	0	235,349,767
Construction-in-progress	29,720,630	308,838	5,497,361	(31,223,915)	4,302,914
<i>Total</i>	348,414,597	308,838	40,553,532	(32,100,876)	357,176,091
Less Accumulated Depreciation:					
Land improvements	(1,572,049)	0	(518,383)	0	(2,090,432)
Building and improvements	(19,604,353)	0	(2,331,881)	15,603	(21,920,631)
Furniture, fixtures, and equipment	(7,557,972)	0	(2,286,313)	0	(9,844,285)
Vehicles	(5,205,121)	0	(999,621)	1,327	(6,203,415)
Infrastructure	(129,093,524)	291,874	(8,197,220)	455,065	(136,543,805)
<i>Total</i>	(163,033,019)	291,874	14,333,418	471,995	176,602,568
<i>Net capital assets</i>	\$185,381,578	\$600,712	\$26,220,114	(\$31,628,881)	\$180,573,523

Depreciation expense for governmental activities is \$14,333,418 for the year.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Balance 6/30/2006	Restatements	Additions	Transfers/ Deletions	Balance 6/30/2007
Business-type Activities:					
Capital Assets:					
Land	\$7,345,758	(\$29,500)	\$1,400	(\$12,715)	\$7,304,943
Construction in progress	5,213,295	(589,396)	637,104	(3,758)	5,257,245
Building	765,775	(14,825)	67,638	(195,399)	623,189
Machinery and equipment	206,298	0	36,973	0	243,271
Infrastructure	48,240,379	14,824	5,190,839	0	53,446,042
<i>Total</i>	<u>61,771,505</u>	<u>(618,897)</u>	<u>5,933,954</u>	<u>(211,872)</u>	<u>66,874,690</u>
Less Accumulated Depreciation:					
Building	(267,991)	(4,699)	(23,300)	47,816	(248,174)
Machinery and equipment	(103,569)	0	(34,052)	0	(137,621)
Infrastructure	(3,450,571)	0	(1,009,006)	0	(4,459,577)
<i>Total</i>	<u>(3,822,131)</u>	<u>(4,699)</u>	<u>(1,066,358)</u>	<u>47,816</u>	<u>(4,845,372)</u>
<i>Net capital assets</i>	<u>\$57,949,374</u>	<u>(\$623,596)</u>	<u>\$4,867,596</u>	<u>(\$164,056)</u>	<u>\$62,029,318</u>

Depreciation expense for business-type activities is \$1,066,358 for the year.

Depreciation was charged to governmental funds as follows:

General government	\$2,877,335
Public safety	2,931,055
Public works	8,330,251
Health and welfare	181,443
Culture and recreation	13,334
	<u>\$14,333,418</u>

Beginning balances of capital assets related to governmental and business-type activities reflect adjustments to amounts reported in prior-year financial statements after the County reviewed its capital asset inventory and determined that certain changes were required. The adjustments increased (decreased) beginning balances as noted in the restatements column above.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7. LONG-TERM DEBT

Changes in Long-Term Debt

	Balance				Balance	Amount
	6/30/2006	Restatements	Additions	Decreases	6/30/2007	Due Within One Year
Governmental Activities:						
Accrued compensated absences	\$2,220,600	\$1,074,941	\$2,088,357	(\$2,067,428)	\$3,316,470	\$0
Notes payable	1,680,203	0	0	(148,265)	1,531,938	153,631
Capital lease payable (restated)	2,326,845	0	0	(793,780)	1,533,065	151,614
General obligation bonds	3,960,000	0	0	(450,000)	3,510,000	465,000
Special assessment district bonds	7,325,000	0	0	(255,000)	7,070,000	275,000
Revenue bond	43,950,000	0	0	(2,025,000)	41,925,000	2,110,000
Total	\$61,462,648	\$1,074,941	\$2,088,357	\$5,739,473	\$58,886,473	\$3,155,245

	Balance				Balance	Amount
	6/30/2006	Restatements	Additions	Decreases	6/30/2007	Due Within One Year
Business-type Activities:						
Accrued compensated absences	\$11,318	\$13,078	\$17,147	(\$7,952)	\$33,591	\$0
Notes payable (restated)	2,067,017	1,122,684	642,350	0	3,832,051	0
Verde group liability	1,067,097	0	652,780	0	1,719,877	0
Total	\$3,145,432	\$1,135,762	\$1,312,277	(\$7,952)	\$5,585,519	\$0

Bonds are liquidated from the debt service fund and other long-term liabilities are liquidated from the general fund and special revenue funds. Moreover, no short-term debt was incurred during fiscal year 2007.

Business-type Activities:

Verde Group Liability

In 1999, the County entered into an agreement with the Santa Teresa Limited Partnership and Paseo Del Norte Limited Partnership. (The Verde Group has since bought out the Santa Teresa and Paseo Del Norte Partnerships and assumed their role). The agreement was executed to ensure payment for the water bond that was used to construct utility infrastructure in the area of Santa Teresa. Payment of the bonds per this agreement was to be made from the Utility system gross revenues, the Land Owner's guarantee and the proceeds of the County's equalization tax. Per the agreement, the Land Owner's will provide the shortfall between net revenues from the utilities and debt service of the water bonds. This agreement (guarantee) is secured by land documented in the Security Agreement and Mortgage executed between the parties above.

A contingency comes about regarding the repayment to the Land Owners for the shortfall monies that are advanced to the County. The agreement also stipulates that upon expiration of the guarantee, the County shall reimburse from the net revenues of the utility system the funds advanced to the County for shortfall of the bond payments along with 3% interest. Repayment will begin when the Utility System net revenues equals or exceeds 1.25% of the debt service in a lump sum or over a period of seven years, at the County's discretion.

As of June 30, 2007, the County has not met the requirements to begin repayment. However, it has an accrued liability of \$1,719,877.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable

On June 30, 2003, the County entered into a loan agreement in the amount of \$5,400,000 with the New Mexico Environment Department. The loan proceeds are to be used to improve or construct a Sanitary Sewer System by constructing, extending, enlarging, repairing, and otherwise improving the County's wastewater collection system, conveyance and treatment facilities. During fiscal year 2007, the County draw downs totaled \$642,350. The loan calls for 20 annual payments of \$330,246 and interest is calculated at a rate of 2.0%. Accrued interest can either be paid at closing or rolled into total disbursements as principal. The first payment is due either on the first anniversary of the project's completion or after the final draw down is made, which ever is earlier. As of June 30, 2007, the balance is \$3,832,051. Payment will begin within one year after completion of the projects. Therefore, there is no established payment schedule.

Governmental Activities:

General Obligation Bonds

The County has refunded two series of general obligation bonds through the issuance of the series 2003 Refunding Bond in the amount of \$4,805,000. These bonds were issued to fund acquisition and improvements to judicial and administrative facilities.

On June 20, 2003, the County issued \$4,805,000 in General Obligation Bonds with an average interest rate of 2% to advance refund \$4,560,000 of outstanding 1993 and 1994 series bonds with an average interest rate of 5.3%. The net proceeds of \$4,682,569 after payment of bond issuance costs plus an additional \$339,487 of 1993 and 1994 sinking fund monies were used to fund an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1993 and 1994 series bonds. As a result the 1993 and 1994 series bonds are considered to be defeased and the liability for these bonds have been removed from the debts of the County.

Although the advance refunding resulted in the recognition of an accounting loss of \$122,569 for the year ended June 30, 2003, the County in effect reduced its aggregate debt service payments by \$609,294 over the next 10 years and obtained an economic gain (difference in the present values of the old and new debt service payments of \$544,061).

Future Requirements: Series 2003 General Obligation Refunding Bonds

	Principal	Interest	Total
2008	\$465,000	\$84,053	\$549,053
2009	470,000	74,703	544,703
2010	490,000	64,368	554,368
2011	500,000	52,233	552,233
2012	515,000	38,651	553,651
2013 - 2014	1,070,000	31,985	1,101,985
Total	\$3,510,000	\$345,998	\$3,855,998

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds

The County has four series of revenue bonds to service.

Gross Receipts Tax Refunding and Improvement Revenue Bonds, Subordinate Series 1998 (\$27,890,000) were issued by the County to provide funds for an advance refunding of outstanding debt, as described elsewhere in this note, and for making improvements to the existing County Jail and juvenile detention facility. Principal and interest are serviced from a non-exclusive first lien on Correctional System Revenues and a subordinate lien on the County's Gross Receipts Tax Revenues.

In 1999, the County issued \$6,000,000 of Water System/Gross Receipts Tax Revenue bonds to provide funds for purchasing, constructing, or otherwise acquiring, water and wastewater systems in the County for the Santa Teresa - Border Regional Water System. The bonds are payable from equalization. Revenues received by the County from the New Mexico Department of Taxation and Revenue, and from the net revenues of the County owned public utility. The bonds are secured by a non-exclusive first lien on both the Equalization Revenues and the Project Revenues.

On October 1, 2003, the County issued Gross Receipts Tax Refunding and Improvement Revenue Bonds, Series 2003 in the amount of \$7,145,000 with interest rates ranging from 2.50% to 3.25%. The bonds mature serially on May 1 in each of the years 2004 through 2028 with term bonds, subject to mandatory redemption, maturing May 1, 2025 and May 1, 2028. The gross bond proceeds of \$7,189,428 were used for purchasing, constructing or otherwise acquiring buildings, including but not limited to, County administrative facilities and to refund a loan to the County from the New Mexico Finance Authority of \$822,552, which was deposited in an escrow account. The proceeds, after payment of issuance costs and the NMFA loan, of \$6,077,346 were deposited in an Acquisition Fund. The bonds are payable from revenues received by the New Mexico Department of Taxation and Revenue's Equalization Revenues.

On June 1, 2004, the County issued New Mexico Payment-in-Lieu of Taxes (PILT) Revenue Bonds, Series 2004A in the amount of \$13,800,000 with interest rates ranging from 4.500% to 5.300%. The bond proceeds of \$13,857,148 were used for the purposes of providing funds for designing, acquiring, constructing, furnishing and equipping County buildings, including but not limited to, County administrative facilities, purchasing or improving any ground, including parking lots, or any combination thereof. Of the proceeds discussed above, \$986,874 was deposited in the Debt Service Reserve Fund to be used only to prevent deficiencies in the payment of the principal and interest on the bonds. The remaining proceeds, after payment of issuance costs and various deposits in other funds, of \$12,109,440 was deposited in an Acquisition Fund. The bond principal and interest will be paid from PILT revenue received from the Bureau of Land Management on an annual basis.

Description	Date	Due	Original Issue	Outstanding	Interest Rates
Gross Receipts Tax Refunding and Improvement, Series 1998	04/01/98	06/01/16	\$27,890,000	\$17,350,000	4.5% to 5.59%
Water System/Gross Receipts Tax, Series 1999	11/01/99	05/01/29	6,000,000	5,425,000	5.3% to 7.0%
Gross Receipts Tax Refunding and Improvement, Series 2003	10/01/03	05/01/28	7,145,000	6,265,000	2.5% to 5.2%
PILT Revenue Bonds, Series 2004A	06/01/04	12/01/28	13,800,000	12,885,000	4.5% to 5.3%
			<u>\$54,835,000</u>	<u>\$41,925,000</u>	

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7. LONG-TERM DEBT (CONTINUED)

Future Requirements:

	Principal	Interest	Total
2008	\$2,110,000	\$2,155,833	\$4,265,833
2009	2,210,000	2,059,845	4,269,845
2010	2,315,000	1,952,689	4,267,689
2011	2,425,000	1,839,727	4,264,727
2012	2,540,000	1,717,327	4,257,327
2013 – 2017	13,860,000	5,308,578	19,168,578
2018 – 2022	5,795,000	3,737,703	9,532,703
2023 – 2027	7,515,000	2,004,939	9,519,939
2028 - 2032	3,155,000	196,258	3,351,258
Total	\$41,925,000	\$20,972,899	\$62,897,899

Special Assessment Debt

In 2001, the County issued \$7,775,000 of Santa Teresa Improvement District bonds. Proceeds of the 2001 A Bonds were used to finance the acquisition of certain road improvements previously constructed in the Airport Road District. The 2001 A Bonds are secured by the pledge of certain special assessments secured by liens on property within the Airport Road District and moneys and securities on deposit in specified funds described in the 2001A Indenture. The 2001 B Bonds are secured by certain pledged property, including special assessments secured by liens on property with the Border Industrial Park District and moneys and securities on deposit in specified funds described in the 2001B Indenture. The final maturity date is January 1, 2021. The interest rate for the 2001 A Bonds is 8.375% and 8.875% for the 2001B Bonds.

Future Requirements:

	Principal	Interest	Total
2008	\$275,000	\$617,438	\$892,438
2009	305,000	593,432	898,432
2010	330,000	566,812	896,812
2011	360,000	538,000	898,000
2012	385,000	506,575	891,575
2013 – 2017	1,260,000	1,125,688	2,385,688
2018 – 2022	1,540,000	845,334	2,385,334
2023 – 2027	1,950,000	437,003	2,387,003
2028	665,000	220,262	885,262
Total	\$7,070,000	\$5,450,544	\$12,520,544

Notes Payable

Prior to fiscal year 2000, the County had drawn \$676,528 against proceeds available from a \$750,000 loan granted by the State of New Mexico Environment Department for the purpose of developing a consolidated liquid waste treatment and disposal system. On September 10, 1999, the loan agreement was amended. Accrued construction interest of \$147,663 was rolled into the total disbursements to become part of the principal. The terms of the loan were amended March 12, 2001 providing for annual payments of \$51,091 including interest calculated at a rate of 2% per annum, with the final payment due June 17, 2019. As of June 30, 2007 the balance is \$540,304, with repayments to be provided from general fund sources. Net revenues from the operation of the septic disposal facilities and environmental services gross receipts tax revenues are pledged as security.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7. LONG-TERM DEBT (CONTINUED)

During fiscal year 1999, the County drew \$1,579,030 against proceeds available from a \$2,215,217 loan from the New Mexico Finance Authority for the purpose of providing flood protection. Of the net loan proceeds, \$165,374 was deposited into a reserve account. Upon completion of the project, \$485,000 that had not been drawn, including construction period interest earned, was applied as prepayment on the last four years' maturities. The terms of the loan, as revised, call for annual payments ranging from \$152,363 to \$135,006, including interest ranging from 4.05% to 5.05% per annum and an administrative fee of 0.25%, with the final payment due May 1, 2015. As of June 30, 2007, the balance is \$962,568 with repayments to be provided from the Flood Commission Special Revenue Fund. Revenues generated by the County Flood Fund ad valorem tax are pledged as security.

In November 1999, the County borrowed \$85,640 from the New Mexico Finance Authority for the acquisition and construction of an equipment building for the Chaparral Fire District. The terms of the loan call for annual payments of \$10,322 for 10 years, including interest ranging from 3.930% to 5.200% per annum and an administrative fee of 0.25%, with the final payment due May 1, 2010. As of June 30, 2007, the balance of \$29,066 is accounted for in the General Fund, with repayments to be provided solely from the pledged revenues. The distribution to Chaparral Fire District made annually by the State Treasurer is pledged as security.

The future payments required for notes payable accounted for in the Governmental Activities funds are as follows:

	Principal	Interest	Total
2008	\$153,631	\$56,764	\$210,395
2009	159,255	52,929	212,184
2010	165,232	46,734	211,966
2011	161,235	40,179	201,414
2012	167,598	33,549	201,147
2013 – 2017	625,791	64,022	689,813
2018 – 2019	99,196	2,986	102,182
Total	\$1,531,938	\$297,163	\$1,829,101

As of June 30, 2002, the County had drawn \$300,000 against proceeds available from a \$300,000 granted by the New Mexico Department of Finance and Administration for a loan to 21st Century Grain Processing Cooperative. The funds were provided through the Community Development Bloc Grant program to install a railroad spur to the Rincon Mill. The terms of the loan call for semi-annual payments of \$18,347 for 10 years, including interest calculated at 4% per annum, with the final payment due June 30, 2010. The June 30, 2007 balance of \$102,770 is accounted for in the Agency Fund, with repayments to be provided from the loan payments received from 21st Century Grain Processing Cooperative. The loan by the County to 21st Century is secured by a second mortgage on real estate owned by 21st Century in Rincon.

The future payments required for notes payable accounted for in the Agency Fund are as follows:

	Principal	Interest	Total
2008	\$32,909	\$3,785	\$36,694
2009	34,239	2,455	36,694
2010	35,622	1,072	36,694
Total	\$102,770	\$7,312	\$110,082

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases Payable

During fiscal year 2004, the County entered into four capital leases for the purchase of voting machines. The lessor for three of these voting machines is the State of New Mexico in the amount of \$506,535. The fourth lessor was Paccar Financial which leased equipment in the amount of \$1,015,333. The interest for this lease is calculated at a rate of 4.899% per annum. In addition, the County also entered into other capital leases for various office equipment and road equipment. The interest rate for these leases varies between 3.184% and 5.9%. As of June 30, 2007, the County's outstanding capital leases payable is \$1,533,065. The future payments required for the capital leases are as follows:

	Principal	Interest	Total
2008	\$171,614	\$40,653	\$212,267
2009	273,333	33,857	307,190
2010	262,629	29,955	292,584
2011	673,527	23,090	696,617
2012	50,654	0	50,654
2013 – 2014	101,308	0	101,308
Total	\$1,533,065	\$127,555	\$1,660,620

NOTE 8. RESERVED AND DESIGNATED FUND EQUITY

At June 30, 2007, the County had reserved fund balances of \$8,256,825 for debt service and \$2,722,231 for construction on capital projects. As further discussed in the significant accounting policy section, the County has reserved fund balances for material inventory in the amounts of \$9,097.

In relation to the hospital lease described in Note 14, the County has designated \$22,611,370 for health care in the General Fund.

NOTE 9. COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

The County receives significant financial assistance from federal and state grants and entitlements. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The County believes that any liabilities resulting from disallowed amounts will not have a material effect on the County's financial statements.

The County is party to various legal proceedings, which are the unavoidable results of governmental operations. Specifically, the County is involved in three environmental issues that may result in clean up/remediation costs. One legal issue involves a broken pipeline that was damaged by a County motor grader. The New Mexico Environmental Department estimates the clean up/remediation costs to be in excess of \$200,000.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 9. COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS (CONTINUED)

The County continues to cooperate fully with the Environmental Protection Agency (EPA) during their investigation related to a Superfund Site. The EPA began its Remedial Investigation and Feasibility Study, which were not completed as of June 30, 2006. The County and the City of Las Cruces have accepted shared responsibility for the remediation effort. The County budgeted \$273,000 for fiscal year 2007; however, required payments are expected to exceed that by 10 to 15%. It is estimated that removing the contamination from the ground water will require approximately 15-20 years. The City and County have initiated a loan application with the New Mexico Finance Authority for \$7 million to pay for costs of infrastructure. Revenues from the sale of treated water will partly offset operation costs during the remediation phase. The EP A may also seek to recover costs incurred during the Remedial Investigation and prior to naming the County and City as responsible parties. That cost is estimated to be \$3.8 million.

Two suits filed in United States District Court have named Dona County as a defendant, alleging violation of civil rights and received certification of class action status. The suits challenged the constitutionality of the visual search policy and procedure at the Dona Ana County Detention Center. These cases have been settled for \$5,000,000. The County insurer, NMAC and its reinsurer, CRL have agreed to pay \$2,350,000 of the settlement. However, there is a coverage dispute between the County and its excess carrier, which has filed for a declaratory judgment. Pending the resolution of the declaratory judgment the County and the excess carrier have each agreed to pay \$1,325,000 for a total of \$2,650,000. A liability has been recorded as of June 30, 2007 for \$1,325,000 in the County's financial statements.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

With the exception of elected officials who have previously never been participants, substantially all of the full-time employees of Dona Ana County, New Mexico participate in a defined benefit contributory retirement plan through the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978) of the State of New Mexico, a cost-sharing multiple employer public employee retirement system. The Public Employees Retirement Association (PERA) is the administrator of the plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Retirement Eligibility

Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Law enforcement and fire members may retire at any age with 20 or more years of service. Generally, the amount of normal retirement pension is based on final average salary, which is defined as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the applicable coverage plan. Monthly benefits equal 3% of general members' final average salary per year of service, and 3.5% for law enforcement members and fire members. The maximum benefit that can be paid to a retiree may not exceed 80% of the final average salary.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Disability Benefits

Members or vested former members with five or more years of credited service will receive their normal retirement pension based on credited service and final average salary at time of disability retirement. The five-year service requirement is waived if the disability is incurred in the line of duty.

Disability retirements are subject to reevaluation until the retired member reaches normal retirement. Payment of the disability pension is suspended for the balance of any year in which a disability-retired member does not submit an annual statement of earnings from gainful employment by June 30 of each year or if the amount of earnings in the previous year is more than the amount which causes the suspension of or a decrease in the social security old age benefit for a 65 year old.

For covered employees other than law enforcement personnel and firefighters, participants were required to contribute 13.15 percent of their gross salary to the plan. The County contributes 75 percent of the 13.15 percent of employee required contribution as well as a required matching contribution of 9.15 percent of general participants' gross salary. The contribution rate is 16.3 percent of gross salaries for law enforcement participants (excluding detention employees). The County's portion of law enforcement participants is 18.50 percent of gross salaries. Detention employees are considered general participants. The contribution rate for firefighter members is 16.20%, and the County is required to contribute 21.25% of their gross salaries.

Contribution requirements for the year ended:

	County	Employee	Total
June 30, 2007	\$4,125,848	\$1,369,803	\$5,495,652
June 30, 2006	\$2,336,828	\$2,843,323	\$5,180,151
June 30, 2005	\$2,258,596	\$2,766,353	\$5,024,949

NOTE 11. DEFERRED COMPENSATION PLAN

Dona Ana County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the National Association of Counties (without being restricted to the provisions of benefits under the plan), subject only to the claims of the National Association of Counties general creditors.

Participant's rights under the plan are equal to those of general creditors of the National Association of Counties in an amount equal to the fair market value of the deferred account for each participant. All amounts of deferred compensation have been remitted to the National Association of Counties, which administers the plan.

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 12. OPERATING LEASES

The County is currently obligated under operating leases for various buildings and equipment. The following is a summary of future minimum lease payments:

	Amount
2008	\$111,638
2009	111,043
2010	30,404
2011	31,680
2012	31,680
2013 – 2017	121,480
	\$437,925

Rental payments charged to current operations for the year ended June 30, 2007 totaled \$139,783.

NOTE 13. BUDGETARY – GAAP REPORTING RECONCILIATION

The accompanying statements of Revenues and Expenditures, Budget (Non-GAAP) and Actual (Cash Basis), for the Major Governmental Funds, present comparisons of the adopted Budget (more fully disclosed in Note 1) with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2007, is presented below:

	Special Revenue		
	General	Health Services (SLIAG)	Indigent Hospital Care
Excess (deficiency) of revenues and other financial sources over expenditures and other financial uses (budgetary basis)	(\$2,900,449)	\$5,226,790	(\$1,439,375)
Adjustments for revenue accruals, transfers, earnings on investments	1,106,962	(50,825)	56,301
Adjustments for expenditures for payables, inventory, accruals, transfers, and uses	(2,106,691)	(85,063)	(1)
Excess (deficiency) of revenues and other financial sources over expenditures and other financial uses (GAAP basis)	(\$3,900,178)	\$5,090,902	(\$1,383,075)

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 14. HOSPITAL LEASE

Memorial Medical Center /-Province Hospital (Telshor Facility)

In 1966 the County and the City adopted a joint resolution to create a joint county-municipal hospital to provide medical services to all of the citizens of Dona Ana County. The hospital was constructed and operated by the City and County through a Board of Trustees until 1998, when it was leased to Memorial Medical Center, Inc. (MMCI), a New Mexico not-for-profit corporation.

On June 1, 2004, the City, the County and MMCI, jointly terminated the lease. On that date, the City and County executed a 40-year lease agreement for the hospital facilities and equipment with PHC-Las Cruces, Inc. (PHC), a New Mexico corporation and a wholly-owned subsidiary of Province Healthcare Corporation, a Delaware corporation. In accordance with the lease agreement, PHC has deposited certain amounts into escrow accounts to cover certain contingencies of the hospital and paid certain hospital liabilities, including outstanding bonds. The lease transaction was recorded during fiscal year 2004.

The proceeds of the PHC lease were reported in a subfund of the General Fund and the resulting equity has been reserved for health related programs and health related capital projects as disclosed in Note 8 Reserved and Designated Fund Equity. This transaction also included proceeds of approximately \$12,100,000 for contingent liabilities related to expanded health care services and hospital property taxes, which are presented in the General Fund as fund balance reserved for debt service.

Pursuant to the Termination Agreement, MMCI began distributing its cash and investments equally between the County and the City in July 2004. MMCI retained cash to pay certain liabilities; any cash remaining at the end of the liquidation process will be distributed equally between the County and the City.

In addition, PHC made a one-time grant of \$5 million to Dona Ana County to be distributed in the sole discretion of the County and City to improve the integration of services provided by the clinics in the County operated by the federally qualified health center organizations, the hospital, and the existing family residency program and to expand the service hours of the same clinics. The grant is accounted for as deferred revenue in the General Fund.

NOTE 15. RESTATEMENTS OF BEGINNING BALANCES

Governmental Activities Net Assets at July 1, 2006	\$200,906,271
To adjust capital assets at July 1, 2006	600,712
Restatements made to the fund financial statements	9,590,848
To record beginning equity of Governmental Activities portion of the Internal Service Fund equity	171,414
<u>To adjust long-term debt at July 1, 2006</u>	<u>(1,074,941)</u>
	<u>\$210,194,304</u>
Business-type Activities Net Assets at July 1, 2006	\$56,500,235
Restatements made to the fund financial statements	(938,186)
	<u>\$55,562,049</u>

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 15. RESTATEMENTS OF BEGINNING BALANCES (CONTINUED)

Restatements were made as follows:

Restatements made to fund financial statements:

General Fund:	
To correct beginning gross receipts tax payable (environ. expense) (d)	\$4,443
To correct beginning deferred revenue, should have been earned 05/06 (per agreement - hospital lease)	1,949,570
To correct revenue for prior year for funds received; but already recorded as revenue when receivable posted in prior year.	(942,530)
To correct beginning deferred revenue for prior year disbursements made to health clinics in 05/06	640,000
To correct beginning accounts receivable /deferred revenue for PILT revenue received in advance	(97,549)
To correct beginning accounts receivable/deferred revenue – Civil Preparedness (e)	(50,686)
To correct beginning gross receipts tax payable – Utility Admin. (d)	(36,051)
To correct NMAD over advance at June 30, 2006 now being charged against, per correspondence from State	(115,416)
Hospital revenue fund reclassified to general fund – funds directed and designated by Board	3,444,634
To correct July 1, 2006 balances for prior year audit entry to cash	373,899
To correct prior year accounts receivable (road) (e)	151,884
To reclass Fleet fund to enterprise	(171,414)
To reclass beginning fund balance for province health care – prior year shown as major program; should have been part of general fund	(361,373)
	4,789,411

Health Services Fund:

To correct beginning balances for incorrect prior year entry deleting cash and equity	4,057,474
To correct investment income posting for prior year	864
To correct beginning accounts receivable from 04/05 not properly reversed when collected	(94,916)
	3,963,422

Nonmajor Governmental Funds

Special Revenue Funds:

Colonias Initiative – reclassification of fund balance shown with other funds prior year	(95,473)
Sheriff's Grants State – reclassification fund balance shown with other funds prior year	95,473
Community Services – to correct accounts receivable at July 1, 2006 (e)	(20,706)
COPS – to correct beginning balances for programs not shown prior year	112,668
County Flood Commission – to correct July 1, 2006 balance of deferred revenue (e)	103,382
Emergency Fund – to correct July 1, 2006 accounts payable (a)	(5,012)
Fire Districts – to correct July 1, 2006 accounts receivable (e)	(1,721)
Housing Assistance Section 8 Vouchers – calculation of PHA settlement for 12/31/04 and 12/31/05	78,426
Law Enforcement Block Grant – to correct July 1, 2006 deferred revenue (e)	29,665
State Appropriations – to correct July 1, 2006 accounts receivable (e)	(602,406)
Victims of Crime – to correct for July 1, 2006 accounts receivable (e)	302
Casa del Quinto Sol – to correct July 1, 2006 balance for assets that should be capitalized and reclassify as enterprise fund	41,266
Hospital Revenue – fund reclassified as general fund – funds directed and designated by Board	(3,444,634)
Province Health Care – fund reclassified as general fund	361,373
	(3,347,397)

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 15. RESTATEMENTS OF BEGINNING BALANCES (CONTINUED)

Capital Projects Funds:	
Airport FAA Projects – to correct July 1, 2006 balances for accounts receivable and deferred revenue (e)	63,210
NMED County Wide Utilities – to reclassify as enterprise fund	(331,951)
Utility Projects – to correct July 1, 2006 balances for accounts receivable and deferred revenue	675,351
Utility Projects – to record transfers of capital assets to enterprise funds previously expensed in capital projects in prior years	4,433,905
	4,840,515
Debt Service Fund:	
To correct July 1, 2006 balance for due to other funds related to Verde Group shortfall not shown in prior year	(1,067,097)
To correct July 1, 2006 balances for prior year audit adjustment made to cash and administrative fees incorrectly	373,899
To correct July 1, 2006 balances for deferred revenue – should have been earned in prior year (e)	33,896
To zero Fillmore Assessment cash balance from prior year payments actually deposited in general fund	(874)
To reverse accounts payable (a)	5,073
	(655,103)
Total Nonmajor Governmental Funds	838,015
Total Governmental Funds	\$9,590,848
Proprietary Funds:	
Border Wastewater – to correct July 1, 2006 balances related to Verde Group transactions – due from other funds balance, prior audit incorrectly adjusted through cash	\$914,173
Border Wastewater – to correct accounts payable and gross receipts tax payable not properly reversed when paid (a) (d)	54,635
South Central Wastewater – to correct July 1, 2006 balance of notes payable for prior year loan draws not recorded	(1,122,684)
South Central Wastewater – to correct capital assets and accumulated depreciation at July 1, 2006 (c)	(666,472)
South Central Wastewater – to correct July 1, 2006 gross receipts tax payable (d)	24,723
South Central Wastewater – To correct July 1, 2006 compensated absences (b)	(17,785)
Nonmajor Enterprise Funds:	
Border Water System – to correct July 1, 2006 US GSA Payable for advance payment of utilities	(85,705)
Border Water System – to correct July 1, 2006 gross receipts tax payable (d)	4,207
Border Water System – to correct July 1, 2006 compensated absences (b)	1,526
Dona Ana Wastewater System – to correct July 1, 2006 gross receipts tax payable (d)	2,862
Dona Ana Wastewater System – to correct July 1, 2006 balances of capital assets (c)	8,818
La Union Wastewater System – to correct July 1, 2006 gross receipts tax payable (a)	1,465
Las Palmeras/Montana Vista – to correct July 1, 2006 capital assets (c)	(3,234)
NMED County Utilities – to correct July 1, 2006 accounts receivable (e)	(427,402)
NMED County Utilities – to correct July 1, 2006 capital assets (c)	64,767
NMED County Utilities – to reclass July 1, 2006 equity from capital projects to enterprise funds	331,951
Rincon Wastewater System – to correct July 1, 2006 accounts payable (a)	312

DONA ANA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 15. RESTATEMENTS OF BEGINNING BALANCES (CONTINUED)

Nonmajor Enterprise Funds (Continued):	
Salem/Ogas Wastewater System – to correct July 1, 2006 gross receipts tax payable (d)	4,100
Salem/Ogas Wastewater System – to correct July 1, 2006 compensated absences (b)	1,057
Salem/Ogas Wastewater System – to correct July 1, 2006 capital assets (c)	(29,500)
<hr/>	
Total Proprietary Funds	(\$938,186)

- (a) To correct accounts payable balance paid in prior years.
- (b) To correct compensated absences balance at July 1, 2006 per the accrued leave schedule.
- (c) To correct capital assets per asset schedule and client corrections for constructed assets.
- (d) To correct gross receipts tax payable not properly reversed when paid in prior years.
- (e) To correct grant/loan activity per analysis of current and project to date activity.

NOTE 16. DEFICIT FUND BALANCE

The Colonias Initiative experienced a deficit fund balance in the amount of \$57,272. Management intends to transfer sufficient funds from the General Fund to cover any deficits.

NOTE 17. RISK MANAGEMENT

Multi-line Risk Pool

The County participates in the New Mexico Self Insurers' Fund. The County's premium is redetermined every year, and is based on the County's loss experience over the previous three years. The deductibles at the County level are as follows:

- \$500 per incident for accident/loss to County property
- \$6,000 per incident for Civil Rights related claims.
- \$10,000 per incident for Law Enforcement related claims.

Limits of coverage through the risk pool are as follows:

- \$2,000,000 Worker's Compensation per accident or occupational disease
- \$2,000,000 Crime coverage
- \$1,050,000 Tort and Law Enforcement related claims
- \$150,000,000 per occurrence for property losses
- \$4,000,000 additional coverage for Excess Foreign Jurisdiction claims
- \$3,000,000 Environmental Liability Insurance
- \$250,000 Volunteer Firefighters Accident
- \$20,000 Land Use Coverage per occurrence and \$60,000 aggregate

Contributions paid to the pool for the 2006/2007 fiscal year were \$2,492,170.

Commercial Insurance

Commercial liability insurance covers the County's airport operations up to \$10,000,000 per occurrence. There is no deductible. Premiums paid for 2006/2007 were \$7,727. In addition, the County maintains commercial liability policies for Accidental Death and Dismemberment of the County's Independent Fire Districts (premium paid of \$70,610) and Pollution and Remediation Legal Liability (premium paid of \$46,629).

SUPPLEMENTARY INFORMATION

DONA ANA COUNTY
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
GENERAL GOVERNMENT:				
ADA Department				
Personnel services	\$55,390	\$55,390	\$54,083	\$1,307
Operating	18,850	19,850	12,990	6,860
Capital outlay	1,000	0	0	0
	<u>75,240</u>	<u>75,240</u>	<u>67,073</u>	<u>8,167</u>
Communications				
Personnel services	88,824	88,824	107,218	(18,394)
Operating	75,860	49,570	43,243	6,327
Capital outlay	30,000	5,323	3,800	1,523
	<u>194,684</u>	<u>143,717</u>	<u>154,261</u>	<u>(10,544)</u>
County Commission				
Personnel services	199,820	213,619	199,696	13,923
Operating	1,249,157	1,280,908	1,200,718	80,190
	<u>1,448,977</u>	<u>1,494,527</u>	<u>1,400,414</u>	<u>94,113</u>
County Assessor				
Personnel services	1,671,264	1,671,264	1,618,933	52,331
	<u>1,671,264</u>	<u>1,671,264</u>	<u>1,618,933</u>	<u>52,331</u>
County Auditor				
Personnel services	94,618	90,718	60,755	29,963
Operating	6,565	10,465	7,684	2,781
	<u>101,183</u>	<u>101,183</u>	<u>68,439</u>	<u>32,744</u>
County Clerk - Recording and Filing				
Personnel services	522,946	522,946	487,601	35,345
Operating	69,050	69,050	36,657	32,393
Capital outlay	53,220	53,220	0	53,220
	<u>645,216</u>	<u>645,216</u>	<u>524,258</u>	<u>120,958</u>
County Clerk - Bureau of Elections				
Personnel services	605,064	614,064	553,225	60,839
Operating	393,812	384,812	482,906	(98,094)
Capital outlay	82,753	20,000	0	20,000
Debt service		62,753	0	62,753
	<u>1,081,629</u>	<u>1,081,629</u>	<u>1,036,131</u>	<u>45,498</u>
County Clerk - Equipment Recording				
Personnel services		0	0	0
Operating	47,000	34,000	30,048	3,952
Capital outlay	65,000	250,000	37,931	212,069
	<u>112,000</u>	<u>284,000</u>	<u>67,979</u>	<u>216,021</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
GENERAL GOVERNMENT (CONTINUED):				
County Manager				
Personnel services	430,948	420,948	380,415	40,533
Operating	138,750	98,200	122,196	(23,996)
Capital outlay	0	0	369	(369)
	<u>569,698</u>	<u>519,148</u>	<u>502,980</u>	<u>16,168</u>
County Probate Judge				
Personnel services	39,046	39,046	29,478	9,568
Operating	1,803	1,803	1,042	761
Capital outlay	0	0	0	0
	<u>40,849</u>	<u>40,849</u>	<u>30,520</u>	<u>10,329</u>
County Treasurer				
Personnel services	588,905	588,905	537,765	51,140
Operating	127,876	132,876	118,456	14,420
Capital outlay	0	0	0	0
Debt service	0	0	0	0
	<u>716,781</u>	<u>721,781</u>	<u>656,221</u>	<u>65,560</u>
Facilities and Parks				
Personnel services	1,484,681	1,469,084	1,264,912	204,172
Operating	1,533,500	1,571,569	2,128,809	(557,240)
Capital outlay	189,200	166,728	174,512	(7,784)
	<u>3,207,381</u>	<u>3,207,381</u>	<u>3,568,233</u>	<u>(360,852)</u>
Finance Department				
Personnel services	891,872	861,872	689,637	172,235
Operating	163,784	198,246	175,266	22,980
Capital outlay	4,462	0	0	0
	<u>1,060,118</u>	<u>1,060,118</u>	<u>864,903</u>	<u>195,215</u>
Information Services Department				
Personnel services	1,241,667	1,126,667	970,718	155,949
Operating	416,800	575,862	572,387	3,475
Capital outlay	283,200	290,105	282,396	7,709
	<u>1,941,667</u>	<u>1,992,634</u>	<u>1,825,501</u>	<u>167,133</u>
Legal Services Department				
Personnel services	13,653	530,532	430,275	100,257
Operating	561,233	247,359	108,981	138,378
Capital outlay	210,005	7,000	0	7,000
	<u>784,891</u>	<u>784,891</u>	<u>539,256</u>	<u>245,635</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
GENERAL GOVERNMENT (CONTINUED):				
Personnel Department				
Personnel services	431,097	431,097	388,992	42,105
Operating	82,885	88,685	59,657	29,028
Capital outlay	5,800	0	0	0
	<u>519,782</u>	<u>519,782</u>	<u>448,649</u>	<u>71,133</u>
Planning Department				
Personnel services	1,377,186	1,377,186	1,197,448	179,738
Operating	182,699	182,699	185,953	(3,254)
Capital outlay	1,900	1,900	1,638	262
	<u>1,561,785</u>	<u>1,561,785</u>	<u>1,385,039</u>	<u>176,746</u>
Public Information Office				
Personnel services	141,085	141,085	130,029	11,056
Operating	17,345	17,345	7,645	9,700
	<u>158,430</u>	<u>158,430</u>	<u>137,674</u>	<u>20,756</u>
Purchasing Department				
Personnel services	208,026	208,026	204,479	3,547
Operating	19,715	20,915	18,544	2,371
Capital outlay	1,200	0	0	0
	<u>228,941</u>	<u>228,941</u>	<u>223,023</u>	<u>5,918</u>
Risk Management Department				
Personnel services	85,017	85,017	84,008	1,009
Operating	3,109,507	3,109,507	2,844,191	265,316
	<u>3,194,524</u>	<u>3,194,524</u>	<u>2,928,199</u>	<u>266,325</u>
Payment in Lieu of Taxes				
Operating	610,592	610,592	584,592	26,000
	<u>610,592</u>	<u>610,592</u>	<u>584,592</u>	<u>26,000</u>
Total General Government	<u>\$19,925,632</u>	<u>\$20,097,632</u>	<u>\$18,632,278</u>	<u>\$1,465,354</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
PUBLIC SAFETY:				
Animal Control				
Personnel services	\$324,404	\$324,404	\$305,212	\$19,192
Operating	350,898	350,898	347,898	3,000
Capital outlay	42,894	70,884	70,884	0
	<u>718,196</u>	<u>746,186</u>	<u>723,994</u>	<u>22,192</u>
Civil Preparedness				
Personnel services	206,909	202,156	209,990	(7,834)
Operating	2,198,654	47,200	40,422	6,778
Capital outlay	0	0	0	0
	<u>2,405,563</u>	<u>249,356</u>	<u>250,412</u>	<u>(1,056)</u>
Detention Center				
Personnel services	7,113,575	7,041,300	6,244,767	796,533
Operating	2,068,243	2,068,243	2,229,922	(161,679)
Capital outlay	0	0	0	0
	<u>9,181,818</u>	<u>9,109,543</u>	<u>8,474,689</u>	<u>634,854</u>
Detention Center - Juveniles				
Personnel services	1,429,530	1,501,805	1,420,176	81,629
Operating	141,648	141,648	172,069	(30,421)
Capital outlay	14,247	14,247	0	14,247
	<u>1,585,425</u>	<u>1,657,700</u>	<u>1,592,245</u>	<u>65,455</u>
Detention Center - Medical				
Personnel services	1,243,118	1,243,118	1,048,592	194,526
Operating	547,817	547,817	661,406	(113,589)
Capital outlay	7,710	7,710	6,320	1,390
	<u>1,798,645</u>	<u>1,798,645</u>	<u>1,716,318</u>	<u>82,327</u>
Fire Protection				
Personnel services	299,549	299,549	303,672	(4,123)
Operating	33,000	35,000	34,253	747
Capital outlay	10,000	8,000	0	8,000
	<u>342,549</u>	<u>342,549</u>	<u>337,925</u>	<u>4,624</u>
Law Enforcement				
Personnel services	8,587,777	8,576,874	8,046,203	530,671
Operating	858,010	880,637	1,128,856	(248,219)
Capital outlay	326,301	296,338	282,426	13,912
	<u>9,772,088</u>	<u>9,753,849</u>	<u>9,457,485</u>	<u>296,364</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
PUBLIC SAFETY (CONTINUED):				
Law Enforcement Support				
Personnel services	1,393,535	1,404,438	1,338,595	65,843
Operating	283,850	304,888	256,866	48,022
Capital outlay	73,905	52,867	48,816	4,051
	<u>1,751,290</u>	<u>1,762,193</u>	<u>1,644,277</u>	<u>117,916</u>
Vector Control				
Personnel services	240,926	240,926	221,514	19,412
Operating	90,675	90,675	62,801	27,874
	<u>331,601</u>	<u>331,601</u>	<u>284,315</u>	<u>47,286</u>
	\$27,887,175	\$25,751,622	\$24,481,660	\$1,269,962
PUBLIC WORKS:				
Road Department - Engineering				
Personnel services	\$901,441	\$901,441	\$768,032	\$133,409
Operating	704,090	712,136	530,088	182,048
Capital outlay	152,000	143,954	78,047	65,907
	<u>1,757,531</u>	<u>1,757,531</u>	<u>1,376,167</u>	<u>381,364</u>
Road Department				
Personnel services	1,559,178	1,559,178	1,623,105	(63,927)
Operating	1,896,200	1,909,331	1,845,610	63,721
Capital outlay	374,036	360,932	283,231	77,701
	<u>3,829,414</u>	<u>3,829,441</u>	<u>3,751,946</u>	<u>77,495</u>
Road Projects				
Capital outlay	4,132,291	4,208,977	1,230,305	2,978,672
	<u>4,132,291</u>	<u>4,208,977</u>	<u>1,230,305</u>	<u>2,978,672</u>
DAC/Santa Teresa Airport				
Personnel services	109,505	109,505	103,919	5,586
Operating	46,313	49,854	40,491	9,363
Capital outlay	34,100	30,559	16,688	13,871
	<u>189,918</u>	<u>189,918</u>	<u>161,098</u>	<u>28,820</u>
Codes Enforcement				
Personnel services	141,606	141,606	130,811	10,795
Operating	23,020	23,020	12,714	10,306
Capital outlay	60,000	39,346	39,346	0
	<u>224,626</u>	<u>203,972</u>	<u>182,871</u>	<u>21,101</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
PUBLIC WORKS (CONTINUED):				
Liquid Waste				
Personnel services	37,952	37,952	33,272	4,680
Operating	25,090	25,090	22,954	2,136
Debt service	52,000	52,000	53,966	(1,966)
Capital outlay	5,000	5,000	0	5,000
	<u>120,042</u>	<u>120,042</u>	<u>110,192</u>	<u>9,850</u>
Solid Waste				
Personnel services	574,515	574,515	579,103	(4,588)
Operating	1,059,200	1,117,200	1,139,496	(22,296)
Capital outlay	134,000	125,000	119,370	5,630
	<u>1,767,715</u>	<u>1,816,715</u>	<u>1,837,969</u>	<u>(21,254)</u>
Utility Department				
Personnel services	530,580	204,301	198,395	5,906
Operating	448,457	0	678	(678)
Capital outlay	80,100	0	0	0
	<u>1,059,137</u>	<u>204,301</u>	<u>199,073</u>	<u>5,228</u>
Total Public Works	\$13,080,674	\$12,330,897	\$8,849,621	\$3,481,276
HEALTH AND WELFARE:				
Community Services-Admin				
Personnel services	\$0	\$0	\$0	\$0
Operating	6,700	6,700	3,797	2,903
Capital outlay	0	0	0	0
	<u>6,700</u>	<u>6,700</u>	<u>3,797</u>	<u>2,903</u>
Hospital Expanded Care				
Personnel services	0	0	0	0
Operating	4,250,000	4,250,000	4,250,000	0
Capital outlay	0	0	0	0
	<u>4,250,000</u>	<u>4,250,000</u>	<u>4,250,000</u>	<u>0</u>
Hospital Lease				
Personnel services	0	0	0	0
Operating	445,950	445,950	443,671	2,279
Capital outlay	0	0	0	0
	<u>445,950</u>	<u>445,950</u>	<u>443,671</u>	<u>2,279</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
HEALTH AND WELFARE (CONTINUED):				
Province Health Care				
Personnel services	0	0	0	0
Operating	600,000	600,000	600,000	0
Capital outlay	0	0	0	0
	600,000	600,000	600,000	0
<i>Total Health and Welfare</i>	\$5,302,650	\$5,302,650	\$5,297,468	\$5,182
CULTURAL AND RECREATION				
Operating	35,000	35,000	17,298	17,702
<i>Total Cultural and Recreation</i>	\$35,000	\$35,000	\$17,298	\$17,702
<i>Total Expenditures</i>	\$66,231,131	\$63,517,801	\$57,278,325	\$6,239,476

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
SPECIAL REVENUE FUNDS
JUNE 30, 2007

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Special revenue funds consist of the following:

Border Health/SCNMPC – To account for a grant from the Center for Substance Abuse Prevention (CSAP), passed through the Border Health Foundation, to fund the South Central New Mexico Prevention Coalition’s “Entre Familia Strengthening Families” program. This fund was established to comply with the requirements of the grant agreement.

CFP Housing – To account for HUD’s new Public Housing Capital Fund Program, which replaces CIAP and CGP. Provides funds for capital improvements for Housing Authority-owned housing.

CYFD Grants – The Children Youth and Families Department provides funds to implement an innovative model to promote healthful youth development and to prevent juvenile delinquency. In addition, it aids in implementing a community home-visiting program in the County.

Colonias Initiative – To improve the quality of life for residents of the colonias of Dona Ana County. Colonias are defined as communities within 150 miles of the U.S./Mexico border that lack one or more of the following: potable water, centralized sewer system, safe, sanitary, and decent housing, and improved roads.

Community Services – To provide funding for a variety of County construction and renovation projects. Financing is provided by special appropriation from the New Mexico State Legislature. This fund has been established to comply with the accountability requirements of the grant agreements.

Confiscated Assets – In accordance with NMSA Section 54-11-33 – To account for the Dona Ana County Sheriff’s confiscated asset program related directly to its drug interdiction program. The program was established through a joint powers agreement between Dona Ana County Sheriff’s department and the U.S. Drug Enforcement Agency. Required by Federal Equitable sharing agreement between the Sheriffs Department and U.S. Departments of Justice and Treasury.

COPS – To provide funding for the County to add full time officers to the Sheriffs Department. The funding runs for 3 years at which time the County must make a good faith effort to retain the positions at the conclusion of the grant. Financing is provided by the U.S. Department of Justice, Office of Community Oriented Policing Services. This fund has been established in accordance with 28 CFR66.20.

Correction Fees – To account for fees collected by the magistrate court and the motor vehicle division and distributed by the state administrative office of the courts to the County, pursuant to NMSA 1978 Section 33-3-25. The fund is restricted to paying costs of the county jailor juvenile detention facility.

County Flood Commission Fund- To account for the operations of the flood projects, in accordance with NMSA Compilation Section 7 Article 38-38-1. Funding is provided by charging an administrative fee on property taxes collected and distributed.

DOH – BHSD State Incentive – This program provides funding to fight substance abuse in Dona Ana County. Funding source of financing is the U.S. Department of Health and Human Services, passed through the State of New Mexico. The fund was established in accordance with 45 CFR 74.21.

DONA ANA COUNTY
SPECIAL REVENUE FUNDS
JUNE 30, 2007

Special Revenue Funds (Continued)

DWI Grants – The DWI program partners with many entities that include law enforcement, MADD, National Guard, Safe Kids, private businesses and more, to combat the high DWI rate in Dona Ana County. Funding is provided by the U.S. Department of Justice. This fund has been established in accordance with 28 CFR 66.20.

Emergency Fund – This program provides for emergency funds that may be required for any emergency within the County. The fund was established pursuant to the Board of County Commissioners by the County Budget Resolution #2006-56.

Emergency Medical Services – In accordance with NMSA Section 7-24-10A -To account for the operation and maintenance of Rural Metro Ambulance Service, Hatch Clinic, and various volunteer fire districts. Funding is from the State Emergency Medical Fund Act. State Law requires that financing be provided in this manner.

Fairgrounds Grant – For the Southern New Mexico State Fair to make infrastructure improvements and to build a multi-purpose event center.

Farm and Range – In accordance with NMSA Section 6-11-5/6 -To provide for the Fish and Wildlife Service in control of predator animals. Funding is from the Taylor Grazing Act.

Federal Reimbursement/Detention Center – Reimbursement from the U.S. Attorney, provided by the Southwest Border Local Assistance Initiative for the costs of handling and processing Federal drug cases. The fund was established in accordance with 28 CFR 66.20.

Fire Districts – In accordance with NMSA 7 -20E-1 5 – To account for the operation and maintenance of the sixteen volunteer fire districts throughout the County of Dona Ana. Funding is provided from the State Fire Fund.

Housing Assistance Section 8 Vouchers – To account for rent subsidy payments from HUD, and for HUD's new Public Housing Capital Fund Program, CFDA# 14.872, which provides funds for capital improvements for Housing Authority-owned housing. This fund was set up to comply with the requirements of 24 CFR 85.20.

Law Enforcement Block Grant – This fund provides for purchase of equipment used in law enforcement.

Law Enforcement Grant – This program provides the County with funds to underwrite projects designed to reduce crime and improve public safety.

Law Enforcement Protection – In accordance with NMSA Section 29-13 – To account for expenditures of the sheriffs department. Financing is provided by the State.

Paso Del Norte – This program provides substance abuse education and social skills to children empowering them to stay off drugs. Financing is provided from a private foundation. The fund was established pursuant to the Board of County Commissioner resolution #2002-12.

Reappraisal Administrative Fees – In accordance with NMSA 7-38-38.1 - To account for county-wide reappraisal funding and expenditures.

Rural Domestic Violence Grant – from the U.S. Department of Justice, Violence against Women Office. The program strengthens the safety of victims of domestic violence, dating violence and child abuse living in rural areas. This fund was established to comply with the requirements of 28 CFR 66.20.

State Appropriations – Appropriations from the State Legislature for various projects.

DONA ANA COUNTY
SPECIAL REVENUE FUNDS
JUNE 30, 2007

Special Revenue Funds (Continued)

Sheriff's Grants State – Various grants to enable the Sheriff's Department in their goals to reduce crime and improve public safety.

Sheriff's HIDTA Grant – To provide funding to allow the County to support New Mexico Intelligence Center initiatives at the SWB New Mexico High Intensity Drug Trafficking Area. Financing is provided by the Executive Office of the President, Office of National Drug Control Policy. This fund has been established in accordance with grant agreements.

Substance Abuse Grants – In accordance with 28 CFR 66.20, to account for a Drug-Free Communities Support Program grant from the U.S. Department of Justice Office of Juvenile Justice and Delinquency Prevention, and for substance abuse programs funded by local and private sources.

Victims of Crime – This program, which is under the Office of Justice Programs, provides funds to raise awareness during National Crime Victim's Rights Week.

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Border Health SCNMPC	CFP Housing	CYFD Grants	Casas del Quinto Sol	Colonias Initiative
ASSETS					
Cash and cash equivalents	\$209	\$0	\$16,000	\$0	\$0
Taxes receivable	0	0	0	0	0
Allowance for uncollectible taxes (credit)	0	0	0	0	0
Intergovernmental receivables	0	110	0	0	1,541,940
Due from other funds	0	0	0	0	0
Inventories	0	0	0	0	0
Total assets	\$209	\$110	\$16,000	\$0	\$1,541,940
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$0	\$110	\$0	\$0	\$237,080
Wages and salaries payable	0	0	0	0	0
Due to other funds	0	0	0	0	1,362,132
Deferred revenues	0	0	0	0	0
Total liabilities	0	110	0	0	1,599,212
FUND BALANCES					
Reserved For:					
Unreserved and Undesignated:					
Reported in the special revenue fund	209	0	16,000	0	(57,272)
Total fund balances	209	0	16,000	0	(57,272)
Total liabilities and fund balances	\$209	\$110	\$16,000	\$0	\$1,541,940

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Community Services	Confiscated Assets	COPS	Correction Fees	County Flood Commission Fund
ASSETS					
Cash and cash equivalents	\$125,647	\$526,813	\$232,927	\$375,398	\$4,661,418
Taxes receivable	0	0	0	0	152,149
Allowance for uncollectible taxes (credit)	0	0	0	0	(2,227)
Intergovernmental receivables	0	9,620	20,059	341,196	0
Due from other funds	0	0	1,170	0	0
Inventories	0	0	0	0	0
Total assets	\$125,647	\$536,433	\$254,156	\$716,594	\$4,811,340
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$0	\$119	\$0	\$5,698	\$8,962
Wages and salaries payable	364	343	0	0	6,568
Due to other funds	1,170	0	0	0	0
Deferred revenues	0	0	0	0	131,935
Total liabilities	1,534	462	0	5,698	147,465
FUND BALANCES					
Reserved For:					
Unreserved and Undesignated:					
Reported in the special revenue fund	124,113	535,971	254,156	710,896	4,663,875
Total fund balances	124,113	535,971	254,156	710,896	4,663,875
Total liabilities and fund balances	\$125,647	\$536,433	\$254,156	\$716,594	\$4,811,340

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	DOH-BHSD State Incentive	DWI Grants	Emergency Fund	Emergency Medical Services	Fairgrounds Grant
ASSETS					
Cash and cash equivalents	\$74,860	\$439,885	\$398,271	\$219,557	\$0
Taxes receivable	0	0	0	0	0
Allowance for uncollectible taxes (credit)	0	0	0	0	0
Intergovernmental receivables	0	0	0	0	231,754
Due from other funds	0	0	27,599	0	0
Inventories	0	0	0	0	0
Total assets	\$74,860	\$439,885	\$425,870	\$219,557	\$231,754
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$0	\$2,901	\$0	\$5,461	\$59,251
Wages and salaries payable	0	7,058	0	0	0
Due to other funds	0	0	0	0	172,503
Deferred revenues	15,712	237,985	27,599	0	0
Total liabilities	15,712	247,944	27,599	5,461	231,754
FUND BALANCES					
Reserved For:					
Unreserved and Undesignated:					
Reported in the special revenue fund	59,148	191,941	398,271	214,096	0
Total fund balances	59,148	191,941	398,271	214,096	0
Total liabilities and fund balances	\$74,860	\$439,885	\$425,870	\$219,557	\$231,754

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Farm and Range	Federal Reimburs./ Detention Center	Fire Districts	Hospital Revenue	Housing Assistance Section 8 Vouchers
ASSETS					
Cash and cash equivalents	\$9,678	\$62,589	\$6,364,162	\$0	\$970,157
Taxes receivable	0	0	0	0	0
Allowance for uncollectible taxes (credit)	0	0	0	0	0
Intergovernmental receivables	0	0	473,809	0	0
Due from other funds	0	0	0	0	0
Inventories	0	0	0	0	0
Total assets	\$9,678	\$62,589	\$6,837,971	\$0	\$970,157
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$0	\$0	\$37,908	\$0	\$20,421
Wages and salaries payable	0	0	0	0	0
Due to other funds	0	0	0	0	0
Deferred revenues	0	0	0	0	0
Total liabilities	0	0	37,908	0	20,421
FUND BALANCES					
Reserved For:					
Unreserved and Undesignated:					
Reported in the special revenue fund	9,678	62,589	6,800,063	0	949,736
Total fund balances	9,678	62,589	6,800,063	0	949,736
Total liabilities and fund balances	\$9,678	\$62,589	\$6,837,971	\$0	\$970,157

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Law Enforcement Block Grant	Law Enforcement Grant	Law Enforcement Protection	Paso del Norte Grant	Province Health Care
ASSETS					
Cash and cash equivalents	\$122,489	\$27,776	\$38,298	\$778	\$0
Taxes receivable	0	0	0	0	0
Allowance for uncollectible taxes (credit)	0	0	0	0	0
Intergovernmental receivables	0	0	0	0	0
Due from other funds	0	0	0	0	0
Inventories	0	0	0	0	0
Total assets	\$122,489	\$27,776	\$38,298	\$778	\$0

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$0	\$0	\$0	\$0	\$0
Wages and salaries payable	0	0	0	0	0
Due to other funds	0	0	0	0	0
Deferred revenues	0	0	36,246	467	0
Total liabilities	0	0	36,246	467	0

FUND BALANCES

Reserved For:

Unreserved and Undesignated:

Reported in the special revenue fund	122,489	27,776	2,052	311	0
Total fund balances	122,489	27,776	2,052	311	0
Total liabilities and fund balances	\$122,489	\$27,776	\$38,298	\$778	\$0

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Reappraisal Administrative Fees	Rural Domestic Violence Grant	Sheriff's Grants State	Sheriff's HIDTA Grant	State Appropriations
ASSETS					
Cash and cash equivalents	\$1,266,636	\$0	\$0	\$0	\$0
Taxes receivable	0	0	0	0	0
Allowance for uncollectible taxes (credit)	0	0	0	0	0
Intergovernmental receivables	0	979	302,903	0	747,464
Due from other funds	0	0	0	0	0
Inventories	0	0	0	0	0
Total assets	\$1,266,636	\$979	\$302,903	\$0	\$747,464
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$14,088	\$0	\$1,155	\$0	\$4,005
Wages and salaries payable	1,179	0	1,128	0	0
Due to other funds	0	0	163,990	0	590,688
Deferred revenues	0	0	0	0	0
Total liabilities	15,267	0	166,273	0	594,693
FUND BALANCES					
Reserved For:					
Unreserved and Undesignated:					
Reported in the special revenue fund	1,251,369	979	136,630	0	152,771
Total fund balances	1,251,369	979	136,630	0	152,771
Total liabilities and fund balances	\$1,266,636	\$979	\$302,903	\$0	\$747,464

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Substance Abuse Grants	Victims of Crime	Total
ASSETS			
Cash and cash equivalents	\$78,637	\$0	\$16,012,185
Taxes receivable	0	0	152,149
Allowance for uncollectible taxes (credit)	0	0	(2,227)
Intergovernmental receivables	0	53,780	3,723,614
Due from other funds	0	0	28,769
Inventories	0	0	0
<i>Total assets</i>	\$78,637	\$53,780	\$19,914,490
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$48	\$32	\$397,239
Wages and salaries payable	547	0	17,187
Due to other funds	0	42,008	2,332,491
Deferred revenues	0	0	449,944
<i>Total liabilities</i>	595	42,040	3,196,861
FUND BALANCES			
Reserved For:			
Unreserved and Undesignated:			
Reported in the special revenue fund	78,042	11,740	16,717,629
<i>Total fund balances</i>	78,042	11,740	16,717,629
<i>Total liabilities and fund balances</i>	\$78,637	\$53,780	\$19,914,490

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Border Health SCNMPC	CFP Housing	CYFD Grants	Casas del Quinto Sol	Colonias Initiative
REVENUES					
Taxes:					
Property taxes	\$0	\$0	\$0	\$0	\$0
General sales and use taxes	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Intergovernmental revenue and grants	0	21,453	0	0	2,716,157
Charges for services	0	0	0	0	0
Contributions/donations private services	0	0	0	0	0
Investment earnings	0	0	0	0	0
Other revenue	0	0	0	0	0
Total revenues	0	21,453	0	0	2,716,157
EXPENDITURES					
Current:					
General government	0	0	0	0	0
Public safety	0	0	0	0	0
Health and welfare	0	17,716	0	0	0
Culture and recreation	0	0	0	0	0
Debt Service:					
Bond principal	0	0	0	0	0
Bond interest	0	0	0	0	0
Fiscal agent's fees	0	0	0	0	0
Capital outlay:					
Capital outlay	0	0	0	0	2,865,956
Total expenditures	0	17,716	0	0	2,865,956
<i>Excess (deficiency) of revenues over expenditures</i>	0	3,737	0	0	(149,799)
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	0	188,000
Transfers out (use)	0	(3,737)	0	0	0
Total other financing sources (uses)	0	(3,737)	0	0	188,000
<i>Net change in fund balance</i>	0	0	0	0	38,201
Fund balance - July 1, beginning	209	0	16,000	(41,266)	0
Restatements	0	0	0	41,266	(95,473)
Fund balance - July 1, beginning, as restated	209	0	16,000	0	(95,473)
Fund balance - June 30, ending	\$209	\$0	\$16,000	\$0	(\$57,272)

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Community Services	Confiscated Assets	COPS	Correction Fees	County Flood Commission Fund
REVENUES					
Taxes:					
Property taxes	\$0	\$0	\$0	\$0	\$1,304,365
General sales and use taxes	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Intergovernmental revenue and grants	4,328	6,217	0	0	36,523
Charges for services	0	161,224	0	885,090	0
Contributions/donations private services	0	0	0	0	0
Investment earnings	0	48,523	0	22,860	206,274
Other revenue	0	0	0	0	38,623
Total revenues	4,328	215,964	0	907,950	1,585,785
EXPENDITURES					
Current:					
General government	0	0	0	0	0
Public safety	0	892,833	0	903,170	1,176,629
Health and welfare	7,391	0	0	0	0
Culture and recreation	0	0	0	0	0
Debt Service:					
Bond principal	0	0	0	0	0
Bond interest	0	0	0	0	0
Fiscal agent's fees	0	0	0	0	0
Capital outlay:					
Capital outlay	0	0	0	0	0
Total expenditures	7,391	892,833	0	903,170	1,176,629
<i>Excess (deficiency) of revenues over expenditures</i>	(3,063)	(676,869)	0	4,780	409,156
OTHER FINANCING SOURCES (USES)					
Transfers in	0	764,000	0	0	0
Transfers out (use)	0	0	0	0	0
Total other financing sources (uses)	0	764,000	0	0	0
Net change in fund balance	(3,063)	87,131	0	4,780	409,156
Fund balance - July 1, beginning	147,882	448,840	141,488	706,116	4,151,337
Restatements	(20,706)	0	112,668	0	103,382
Fund balance - July 1, beginning, as restated	127,176	448,840	254,156	706,116	4,254,719
Fund balance - June 30, ending	\$124,113	\$535,971	\$254,156	\$710,896	\$4,663,875

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	DOH-BHSD State Incentive	DWI Grants	Emergency Fund	Emergency Medical Services	Fairgrounds Grant
REVENUES					
Taxes:					
Property taxes	\$0	\$0	\$0	\$0	\$0
General sales and use taxes	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Intergovernmental revenue and grants	45,773	760,928	32,267	148,427	916,465
Charges for services	0	175,566	0	0	0
Contributions/donations private services	0	0	0	0	0
Investment earnings	0	0	0	11,587	0
Other revenue	12	0	1,519	0	0
Total revenues	45,785	936,494	33,786	160,014	916,465
EXPENDITURES					
Current:					
General government	0	0	0	0	0
Public safety	0	813,279	49,527	137,334	0
Health and welfare	45,773	0	0	0	0
Culture and recreation	0	0	0	0	0
Debt Service:					
Bond principal	0	0	0	0	0
Bond interest	0	0	0	0	0
Fiscal agent's fees	0	0	0	0	0
Capital outlay:					
Capital outlay	0	0	0	0	916,465
Total expenditures	45,773	813,279	49,527	137,334	916,465
<i>Excess (deficiency) of revenues over expenditures</i>	12	123,215	(15,741)	22,680	0
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	0	0
Transfers out (use)	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0
Net change in fund balance	12	123,215	(15,741)	22,680	0
Fund balance - July 1, beginning	59,136	68,726	419,024	191,416	0
Restatements	0	0	(5,012)	0	0
Fund balance - July 1, beginning, as restated	59,136	68,726	414,012	191,416	0
Fund balance - June 30, ending	\$59,148	\$191,941	\$398,271	\$214,096	\$0

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Farm and Range	Federal Reimburs./ Detention Center	Fire Districts	Hospital Revenue	Housing Assistance Section 8 Vouchers
REVENUES					
Taxes:					
Property taxes	\$0	\$0	\$0	\$0	\$0
General sales and use taxes	0	0	1,685,403	0	0
Licenses and permits	0	0	0	0	0
Intergovernmental revenue and grants	0	0	458,389	0	2,848,248
Charges for services	11,634	0	0	0	0
Contributions/donations private services	0	0	0	0	0
Investment earnings	1,134	0	344,791	0	38,853
Other revenue	0	0	731	0	327
Total revenues	12,768	0	2,489,314	0	2,887,428
EXPENDITURES					
Current:					
General government	0	0	0	0	0
Public safety	30,000	0	2,365,132	0	0
Health and welfare	0	0	0	0	2,748,523
Culture and recreation	0	0	0	0	0
Debt Service:					
Bond principal	0	0	0	0	0
Bond interest	0	0	0	0	0
Fiscal agent's fees	0	0	0	0	0
Capital outlay:					
Capital outlay	0	0	0	0	0
Total expenditures	30,000	0	2,365,132	0	2,748,523
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(17,232)</i>	<i>0</i>	<i>124,182</i>	<i>0</i>	<i>138,905</i>
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	1,200,000	0	0
Transfers out (use)	0	0	(1,200,000)	0	0
Total other financing sources (uses)	0	0	0	0	0
Net change in fund balance	(17,232)	0	124,182	0	138,905
Fund balance - July 1, beginning	26,910	62,589	6,677,602	3,444,634	732,405
Restatements	0	0	(1,721)	(3,444,634)	78,426
Fund balance - July 1, beginning, as restated	26,910	62,589	6,675,881	0	810,831
Fund balance - June 30, ending	\$9,678	\$62,589	\$6,800,063	\$0	\$949,736

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Law Enforcement Block Grant	Law Enforcement Grant	Law Enforcement Protection	Paso del Norte Grant	Province Health Care
REVENUES					
Taxes:					
Property taxes	\$0	\$0	\$0	\$0	\$0
General sales and use taxes	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Intergovernmental revenue and grants	12,286	0	91,803	0	0
Charges for services	0	0	0	0	0
Contributions/donations private services	0	0	0	0	0
Investment earnings	0	1,253	3,266	0	0
Other revenue	0	0	0	0	0
Total revenues	12,286	1,253	95,069	0	0
EXPENDITURES					
Current:					
General government	0	0	0	0	0
Public safety	16,163	0	91,803	0	0
Health and welfare	0	0	0	0	0
Culture and recreation	0	0	0	0	0
Debt Service:					
Bond principal	0	0	0	0	0
Bond interest	0	0	0	0	0
Fiscal agent's fees	0	0	0	0	0
Capital outlay:					
Capital outlay	0	0	0	0	0
Total expenditures	16,163	0	91,803	0	0
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(3,877)</i>	<i>1,253</i>	<i>3,266</i>	<i>0</i>	<i>0</i>
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	0	0
Transfers out (use)	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0
Net change in fund balance	(3,877)	1,253	3,266	0	0
Fund balance - July 1, beginning	96,701	26,523	(1,214)	311	(361,373)
Restatements	29,665	0	0	0	361,373
Fund balance - July 1, beginning, as restated	126,366	26,523	(1,214)	311	0
Fund balance - June 30, ending	\$122,489	\$27,776	\$2,052	\$311	\$0

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Reappraisal Administrative Fees	Rural Domestic Violence Grant	Sheriff's Grants State	Sheriff's HIDTA Grant	State Appropriations
REVENUES					
Taxes:					
Property taxes	\$0	\$0	\$0	\$0	\$0
General sales and use taxes	693,542	0	0	0	0
Licenses and permits	0	0	0	0	0
Intergovernmental revenue and grants	0	0	679,401	0	1,685,466
Charges for services	0	0	0	0	0
Contributions/donations private services	0	0	0	0	0
Investment earnings	52,285	0	0	0	0
Other revenue	91	0	0	0	0
Total revenues	745,918	0	679,401	0	1,685,466
EXPENDITURES					
Current:					
General government	561,943	0	0	0	0
Public safety	0	0	578,329	0	96,708
Health and welfare	0	0	0	0	483
Culture and recreation	0	0	0	0	1,371
Debt Service:					
Bond principal	0	0	0	0	0
Bond interest	0	0	0	0	0
Fiscal agent's fees	0	0	0	0	0
Capital outlay:					
Capital outlay	0	0	0	0	1,274,582
Total expenditures	561,943	0	578,329	0	1,373,144
<i>Excess (deficiency) of revenues over expenditures</i>	183,975	0	101,072	0	312,322
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	33,000	68	0
Transfers out (use)	0	0	0	0	0
Total other financing sources (uses)	0	0	33,000	68	0
Net change in fund balance	183,975	0	134,072	68	312,322
Fund balance - July 1, beginning	1,067,394	979	(92,915)	(68)	442,855
Restatements	0	0	95,473	0	(602,406)
Fund balance - July 1, beginning, as restated	1,067,394	979	2,558	(68)	(159,551)
Fund balance - June 30, ending	\$1,251,369	\$979	\$136,630	\$0	\$152,771

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Substance Abuse Grants	Victims of Crime	Total
REVENUES			
Taxes:			
Property taxes	\$0	\$0	\$1,304,365
General sales and use taxes	0	0	2,378,945
Licenses and permits	0	0	0
Intergovernmental revenue and grants	0	51,694	10,515,825
Charges for services	0	0	1,233,514
Contributions/donations private services	0	0	0
Investment earnings	0	0	730,826
Other revenue	0	0	41,303
Total revenues	0	51,694	16,204,778
EXPENDITURES			
Current:			
General government	0	0	561,943
Public safety	0	51,984	7,202,891
Health and welfare	20,464	0	2,840,350
Culture and recreation	0	0	1,371
Debt Service:		0	0
Bond principal	0	0	0
Bond interest	0	0	0
Fiscal agent's fees	0	0	0
Capital outlay:			
Capital outlay	0	0	5,057,003
Total expenditures	20,464	51,984	15,663,558
<i>Excess (deficiency) of revenues over expenditures</i>	(20,464)	(290)	541,220
OTHER FINANCING SOURCES (USES)			
Transfers in	0	0	2,185,068
Transfers out (use)	0	0	(1,203,737)
Total other financing sources (uses)	0	0	981,331
<i>Net change in fund balance</i>	(20,464)	(290)	1,522,551
Fund balance - July 1, beginning	98,506	11,728	18,542,475
Restatements	0	302	(3,347,397)
Fund balance - July 1, beginning, as restated	98,506	12,030	15,195,078
Fund balance - June 30, ending	\$78,042	\$11,740	\$16,717,629

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
CAPITAL FUND PROGRAM (CFP)
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$80,142	\$80,142	\$21,453	(\$58,689)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>80,142</u>	<u>80,142</u>	<u>21,453</u>	<u>(58,689)</u>
EXPENDITURES				
Current:				
Personnel	21,245	21,245	8,014	13,231
Operating	26,897	26,897	9,702	17,195
Capital outlay	32,000	32,000	0	32,000
<i>Total expenditures</i>	<u>80,142</u>	<u>80,142</u>	<u>17,716</u>	<u>62,426</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,737</u>	<u>\$3,737</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$3,737
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$3,737</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
COLONIAS INITIATIVE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$4,307,559	\$6,199,355	\$2,716,157	(\$3,483,198)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>4,307,559</u>	<u>6,199,355</u>	<u>2,716,157</u>	<u>(3,483,198)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	3,899,707	6,197,354	2,722,347	3,475,007
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>3,899,707</u>	<u>6,197,354</u>	<u>2,722,347</u>	<u>3,475,007</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	407,852	2,001	(6,190)	(8,191)
Other Financing Sources (Uses):				
Transfers in	0	188,000	188,000	0
Transfers (out) use	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>188,000</u>	<u>188,000</u>	<u>0</u>
<i>Excess deficiency of revenues over expenditures and other financing sources (uses)</i>	<u>\$407,852</u>	<u>\$190,001</u>	<u>\$181,810</u>	<u>(\$8,191)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$181,810
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(143,609)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$38,201

DONA ANA COUNTY
COMMUNITY SERVICES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$13,000	\$4,328	(\$8,672)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>0</u>	<u>13,000</u>	<u>4,328</u>	<u>(8,672)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	0	0	0	0
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>\$0</u>	<u>\$13,000</u>	<u>\$4,328</u>	<u>(\$8,672)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$4,328
Adjustments for revenue accruals	0
<u>Adjustments for expenditures accruals</u>	<u>(7,391)</u>
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$3,063)</u>

DONA ANA COUNTY
CONFISCATED ASSETS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0
Other	275,000	275,000	161,224	(113,776)
Investment earnings	4,000	4,000	48,523	44,523
<i>Total revenues</i>	<u>279,000</u>	<u>279,000</u>	<u>209,747</u>	<u>(69,253)</u>
EXPENDITURES				
Current:				
Personnel	10,145	64,379	25,515	38,864
Operating	175,214	489,925	316,308	173,617
Capital outlay	435,000	830,055	554,244	275,811
<i>Total expenditures</i>	<u>620,359</u>	<u>1,384,359</u>	<u>896,067</u>	<u>488,292</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(341,359)	(1,105,359)	(686,320)	419,039
Other Financing Sources (Uses):				
Transfers in	0	764,000	764,000	0
Transfers (out) use	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>764,000</u>	<u>764,000</u>	<u>0</u>
<i>Excess deficiency of revenues over expenditures and other financing sources (uses)</i>	(341,359)	(341,359)	77,680	419,039
Budgeted cash carryover	341,359	341,359	341,359	0
	<u>\$0</u>	<u>\$0</u>	<u>\$419,039</u>	<u>\$419,039</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$77,680
Adjustments for revenue accruals	6,217
Adjustments for expenditures accruals	3,234
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$87,131

DONA ANA COUNTY
COPS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<u>Total revenues</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	0	33,565	33,565	0
Capital outlay	0	0	0	0
<u>Total expenditures</u>	<u>0</u>	<u>33,565</u>	<u>33,565</u>	<u>0</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	(33,565)	(33,565)	0
<u>Budgeted cash carryover</u>	<u>0</u>	<u>33,565</u>	<u>33,565</u>	<u>0</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$33,565)
Adjustments for revenue accruals	0
<u>Adjustments for expenditures accruals</u>	<u>33,565</u>
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$0</u>

DONA ANA COUNTY
COPS IN SCHOOL
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	0	4,234	3,064	1,170
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>0</u>	<u>4,234</u>	<u>3,064</u>	<u>1,170</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	(4,234)	(3,064)	1,170
<i>Budgeted cash carryover</i>	0	4,234	4,234	0
	<u>\$0</u>	<u>\$0</u>	<u>\$1,170</u>	<u>\$1,170</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$3,064)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	3,064
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</i>	<u>\$0</u>

DONA ANA COUNTY
COPS TECHNOLOGY
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$147,996	\$147,996	\$0	(\$147,996)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>147,996</u>	<u>147,996</u>	<u>0</u>	<u>(147,996)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	2,730	2,730	0	2,730
Capital outlay	145,266	145,266	0	145,266
<i>Total expenditures</i>	<u>147,996</u>	<u>147,996</u>	<u>0</u>	<u>147,996</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</i>	<u>\$0</u>

DONA ANA COUNTY
CORRECTION FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	435,000	435,000	543,894	108,894
Other	0	0	0	0
Investment earnings	22,571	22,571	22,860	289
<i>Total revenues</i>	<u>457,571</u>	<u>457,571</u>	<u>566,754</u>	<u>109,183</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	811,627	847,065	807,034	40,031
Capital outlay	245,033	209,595	148,263	61,332
<i>Total expenditures</i>	<u>1,056,660</u>	<u>1,056,660</u>	<u>955,297</u>	<u>101,363</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(599,089)	(599,089)	(388,543)	210,546
Budgeted cash carryover	599,089	599,089	599,089	0
	<u>\$0</u>	<u>\$0</u>	<u>\$210,546</u>	<u>\$210,546</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$388,543)
Adjustments for revenue accruals	341,196
Adjustments for expenditures accruals	52,127
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$4,780</u>

DONA ANA COUNTY
COUNTY FLOOD COMMISSION FUND
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$1,130,758	\$1,130,758	\$1,338,491	\$207,733
Charges for services	0	0	0	0
Other	75,200	75,200	38,622	(36,578)
Investment earnings	50,000	50,000	206,274	156,274
<i>Total revenues</i>	<u>1,255,958</u>	<u>1,255,958</u>	<u>1,583,387</u>	<u>327,429</u>
EXPENDITURES				
Current:				
Personnel	519,947	519,947	413,296	106,651
Operating	953,689	961,223	295,747	665,476
Capital outlay	653,500	645,966	324,390	321,576
Debt service	215,000	215,000	202,717	12,283
<i>Total expenditures</i>	<u>2,342,136</u>	<u>2,342,136</u>	<u>1,236,150</u>	<u>1,105,986</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(1,086,178)	(1,086,178)	347,237	1,433,415
Budgeted cash carryover	1,086,178	1,086,178	1,086,178	0
	<u>\$0</u>	<u>\$0</u>	<u>\$1,433,415</u>	<u>\$1,433,415</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$347,237
Adjustments for revenue accruals	2,398
Adjustments for expenditures accruals	59,521
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$409,156</u>

DONA ANA COUNTY
DOH - BHSD STATE INCENTIVE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$90,000	\$90,000	\$60,000	(\$30,000)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>90,000</u>	<u>90,000</u>	<u>60,000</u>	<u>(30,000)</u>
EXPENDITURES				
Current:				
Personnel	59,485	59,485	34,259	25,226
Operating	31,258	31,258	12,667	18,591
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>90,743</u>	<u>90,743</u>	<u>46,926</u>	<u>43,817</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(743)	(743)	13,074	13,817
Budgeted cash carryover	743	743	743	0
	<u>\$0</u>	<u>\$0</u>	<u>\$13,817</u>	<u>\$13,817</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$13,074
Adjustments for revenue accruals	(14,215)
Adjustments for expenditures accruals	1,153
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</i>	<u>\$12</u>

DONA ANA COUNTY
DWI GRANTS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$645,220	\$828,689	\$760,928	(\$67,761)
Charges for services	74,000	191,579	175,388	(16,191)
Other	0	0	177	177
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>719,220</u>	<u>1,020,268</u>	<u>936,493</u>	<u>(83,775)</u>
EXPENDITURES				
Current:				
Personnel	490,314	476,747	382,173	94,574
Operating	319,949	551,783	406,018	145,765
Capital outlay	0	68,396	24,865	43,531
<i>Total expenditures</i>	<u>810,263</u>	<u>1,096,926</u>	<u>813,056</u>	<u>283,870</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(91,043)	(76,658)	123,437	200,095
Budgeted cash carryover	91,043	76,658	76,658	0
	<u>\$0</u>	<u>\$0</u>	<u>\$200,095</u>	<u>\$200,095</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$123,437
Adjustments for revenue accruals	1
Adjustments for expenditures accruals	(223)
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$123,215</u>

DONA ANA COUNTY
EMERGENCY FUND
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$32,268	\$32,268
Charges for services	0	0	1,519	1,519
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>33,787</u>	<u>33,787</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	250,000	175,057	49,527	125,530
Capital outlay	0	74,943	0	74,943
<i>Total expenditures</i>	<u>250,000</u>	<u>250,000</u>	<u>49,527</u>	<u>200,473</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(250,000)	(250,000)	(15,740)	234,260
Budgeted cash carryover	250,000	250,000	250,000	0
	<u>\$0</u>	<u>\$0</u>	<u>\$234,260</u>	<u>\$234,260</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$15,740)
Adjustments for revenue accruals	(1)
Adjustments for expenditures accruals	0
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$15,741)</u>

DONA ANA COUNTY
EMERGENCY MEDICAL SERVICES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$257,243	\$257,243	\$148,427	(\$108,816)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	5,259	5,259	11,588	6,329
<i>Total revenues</i>	<u>262,502</u>	<u>262,502</u>	<u>160,015</u>	<u>(102,487)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	350,085	350,085	136,477	213,608
Capital outlay	108,190	108,190	0	108,190
<i>Total expenditures</i>	<u>458,275</u>	<u>458,275</u>	<u>136,477</u>	<u>321,798</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(195,773)	(195,773)	23,538	219,311
Budgeted cash carryover	195,773	195,773	195,773	0
	<u>\$0</u>	<u>\$0</u>	<u>\$219,311</u>	<u>\$219,311</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$23,538
Adjustments for revenue accruals	(1)
Adjustments for expenditures accruals	(857)
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$22,680</u>

DONA ANA COUNTY
FAIRGROUNDS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$1,000,000	\$1,000,000	\$860,586	(\$139,414)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>860,586</u>	<u>(139,414)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	877	877	53	824
Capital outlay	995,750	995,750	857,160	138,590
<i>Total expenditures</i>	<u>996,627</u>	<u>996,627</u>	<u>857,213</u>	<u>139,414</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>\$3,373</u>	<u>\$3,373</u>	<u>\$3,373</u>	<u>\$0</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$3,373
Adjustments for revenue accruals	55,879
<u>Adjustments for expenditures accruals</u>	<u>(59,252)</u>
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$0</u>

DONA ANA COUNTY
FARM AND RANGE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	12,966	12,966	11,634	(1,332)
Other	0	0	0	0
Investment earnings	700	700	1,134	434
<i>Total revenues</i>	<u>13,666</u>	<u>13,666</u>	<u>12,768</u>	<u>(898)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	30,000	30,000	30,000	0
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(16,334)	(16,334)	(17,232)	(898)
Budgeted cash carryover	16,334	16,334	16,334	0
	<u>\$0</u>	<u>\$0</u>	<u>(\$898)</u>	<u>(\$898)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$17,232)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$17,232)</u>

DONA ANA COUNTY
FIRE DISTRICTS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$1,457,961	\$3,507,012	\$2,087,799	(\$1,419,213)
Charges for services	0	0	0	0
Other	0	0	373	373
Investment earnings	43,250	43,250	344,789	301,539
<i>Total revenues</i>	<u>1,501,211</u>	<u>3,550,262</u>	<u>2,432,961</u>	<u>(1,117,301)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	4,399,170	3,681,202	1,119,113	2,562,089
Capital outlay	2,332,228	3,613,854	1,476,438	2,137,416
<i>Total expenditures</i>	<u>6,731,398</u>	<u>7,295,056</u>	<u>2,595,551</u>	<u>4,699,505</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(5,230,187)	(3,744,794)	(162,590)	3,582,204
Other Financing Sources (Uses):				
Transfers in	1,200,000	1,200,000	1,200,000	0
Transfers (out) use	(1,200,000)	(1,200,000)	(1,200,000)	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(5,230,187)	(3,744,794)	(162,590)	3,582,204
<i>Budgeted cash carryover</i>	5,230,187	3,744,794	3,744,794	0
	<u>\$0</u>	<u>\$0</u>	<u>\$3,582,204</u>	<u>\$3,582,204</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$162,590)
Adjustments for revenue accruals	56,353
Adjustments for expenditures accruals	230,419
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</i>	<u>\$124,182</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
HOUSING ASSISTANCE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$2,603,952	\$2,603,952	\$2,583,758	(\$20,194)
Charges for services	0	0	0	0
Other	292,332	292,332	286,270	(6,062)
Investment earnings	22,224	22,224	38,853	16,629
<i>Total revenues</i>	<u>2,918,508</u>	<u>2,918,508</u>	<u>2,908,881</u>	<u>(9,627)</u>
EXPENDITURES				
Current:				
Personnel	158,937	158,937	128,858	30,079
Operating	2,344,727	2,344,727	2,637,382	(292,655)
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>2,503,664</u>	<u>2,503,664</u>	<u>2,766,240</u>	<u>(262,576)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	414,844	414,844	142,641	(272,203)
Other Financing Sources (Uses):				
Transfers in	164,035	164,035	164,035	0
Transfers (out) use	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>164,035</u>	<u>164,035</u>	<u>164,035</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$578,879</u>	<u>\$578,879</u>	<u>\$306,676</u>	<u>(\$272,203)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$142,641
Adjustments for revenue accruals	(21,453)
Adjustments for expenditures accruals	17,717
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</i>	<u>\$138,905</u>

DONA ANA COUNTY
LAW ENFORCEMENT BLOCK GRANT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$16,784	\$16,784	\$0	(\$16,784)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>16,784</u>	<u>16,784</u>	<u>0</u>	<u>(16,784)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	1,079	16,782	16,163	619
Capital outlay	15,703	0	0	0
<i>Total expenditures</i>	<u>16,782</u>	<u>16,782</u>	<u>16,163</u>	<u>619</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>\$2</u>	<u>\$2</u>	<u>(\$16,163)</u>	<u>(\$16,165)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$16,163)
Adjustments for revenue accruals	12,286
<u>Adjustments for expenditures accruals</u>	<u>0</u>
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$3,877)</u>

DONA ANA COUNTY
LAW ENFORCEMENT GRANT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	1,253	1,253
<u>Total revenues</u>	<u>0</u>	<u>0</u>	<u>1,253</u>	<u>1,253</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	0	0	0	0
Capital outlay	0	0	0	0
<u>Total expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Excess (deficiency) of revenues over (under) expenditures</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,253</u>	<u>\$1,253</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$1,253
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$1,253</u>

DONA ANA COUNTY
LAW ENFORCEMENT PROTECTION
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0
Other	106,200	106,200	115,531	9,331
Investment earnings	2,000	2,000	3,266	1,266
<i>Total revenues</i>	<u>108,200</u>	<u>108,200</u>	<u>118,797</u>	<u>10,597</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	31,000	27,314	26,599	715
Capital outlay	88,463	92,149	65,204	26,945
<i>Total expenditures</i>	<u>119,463</u>	<u>119,463</u>	<u>91,803</u>	<u>27,660</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(11,263)	(11,263)	26,994	38,257
Budgeted cash carryover	11,263	11,263	11,263	0
	<u>\$0</u>	<u>\$0</u>	<u>\$38,257</u>	<u>\$38,257</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$26,994
Adjustments for revenue accruals	(23,728)
Adjustments for expenditures accruals	0
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$3,266</u>

DONA ANA COUNTY
PASO DEL NORTE GRANT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	0	778	0	778
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>0</u>	<u>778</u>	<u>0</u>	<u>778</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	(778)	0	778
Budgeted cash carryover	0	778	778	0
	<u>\$0</u>	<u>\$0</u>	<u>\$778</u>	<u>\$778</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$0</u>

DONA ANA COUNTY
REAPPRAISAL ADMINISTRATIVE FEES
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$630,267	\$630,267	\$693,542	\$63,275
Charges for services	0	0	0	0
Other	0	0	91	91
Investment earnings	31,037	31,037	52,286	21,249
<i>Total revenues</i>	<u>661,304</u>	<u>661,304</u>	<u>745,919</u>	<u>84,615</u>
EXPENDITURES				
Current:				
Personnel	185,224	185,224	107,065	78,159
Operating	356,400	332,926	257,464	75,462
Capital outlay	255,000	278,474	190,190	88,284
<i>Total expenditures</i>	<u>796,624</u>	<u>796,624</u>	<u>554,719</u>	<u>241,905</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(135,320)	(135,320)	191,200	326,520
Budgeted cash carryover	135,320	135,320	135,320	0
	<u>\$0</u>	<u>\$0</u>	<u>\$326,520</u>	<u>\$326,520</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$191,200
Adjustments for revenue accruals	(1)
Adjustments for expenditures accruals	(7,224)
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$183,975</u>

DONA ANA COUNTY
SHERIFF'S GRANTS STATE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$578,026	\$1,125,799	\$461,490	(\$664,309)
Charges for services				
Other	252,476	242,476	253,102	10,626
Investment earnings				
<i>Total revenues</i>	<u>830,502</u>	<u>1,368,275</u>	<u>714,592</u>	<u>(653,683)</u>
EXPENDITURES				
Current:				
Personnel	608,477	1,024,544	477,659	546,885
Operating	73,409	151,426	42,659	108,767
Capital outlay	113,037	224,089	64,211	159,878
<i>Total expenditures</i>	<u>794,923</u>	<u>1,400,059</u>	<u>584,529</u>	<u>815,530</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	35,579	(31,784)	130,063	161,847
Other Financing Sources (Uses):				
Transfers in	0	33,000	33,000	0
Transfers (out) use	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>33,000</u>	<u>33,000</u>	<u>0</u>
<i>Excess deficiency of revenues over expenditures and other financing sources (uses)</i>	<u>\$35,579</u>	<u>\$1,216</u>	<u>\$163,063</u>	<u>\$161,847</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$163,063
Adjustments for revenue accruals	(35,191)
Adjustments for expenditures accruals	6,200
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$134,072

DONA ANA COUNTY
SHERIFF'S HIDTA GRANT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	0	0	0	0
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	0	0	0	0
Other Financing Sources (Uses):				
Transfers in	0	68	68	0
Transfers (out) use	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>68</u>	<u>68</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$0</u>	<u>\$68</u>	<u>\$68</u>	<u>\$0</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$68
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$68

DONA ANA COUNTY
STATE APPROPRIATIONS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$4,916,419	\$9,906,766	\$1,854,042	(\$8,052,724)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	3,165	3,165
<i>Total revenues</i>	<u>4,916,419</u>	<u>9,906,766</u>	<u>1,857,207</u>	<u>(8,049,559)</u>
EXPENDITURES				
Current:				
Personnel	0	0	0	0
Operating	0	0	0	0
Capital outlay	3,990,701	8,720,078	1,425,729	7,294,349
<i>Total expenditures</i>	<u>3,990,701</u>	<u>8,720,078</u>	<u>1,425,729</u>	<u>7,294,349</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>\$925,718</u>	<u>\$1,186,688</u>	<u>\$431,478</u>	<u>(\$755,210)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$431,478
Adjustments for revenue accruals	(171,741)
<u>Adjustments for expenditures accruals</u>	<u>52,585</u>
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$312,322</u>

DONA ANA COUNTY
SUBSTANCE ABUSE GRANTS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$20,610	\$20,610	\$0	(\$20,610)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<u>Total revenues</u>	<u>20,610</u>	<u>20,610</u>	<u>0</u>	<u>(20,610)</u>
EXPENDITURES				
Current:				
Personnel	20,610	20,610	20,138	472
Operating	0	0	0	0
Capital outlay	0	0	0	0
<u>Total expenditures</u>	<u>20,610</u>	<u>20,610</u>	<u>20,138</u>	<u>472</u>
<u>Excess (deficiency) of revenues over (under) expenditures</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$20,138)</u>	<u>(\$20,138)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$20,138)
Adjustments for revenue accruals	0
<u>Adjustments for expenditures accruals</u>	<u>(326)</u>
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$20,464)</u>

DONA ANA COUNTY
VICTIM ASSISTANCE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$60,000	\$60,000	\$53,479	(\$6,521)
Charges for services	0	0	0	0
Other	0	0	0	0
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>53,479</u>	<u>(6,521)</u>
EXPENDITURES				
Current:				
Personnel	38,869	38,869	34,331	4,538
Operating	21,131	21,131	19,449	1,682
Capital outlay	0	0	0	0
<i>Total expenditures</i>	<u>60,000</u>	<u>60,000</u>	<u>53,780</u>	<u>6,220</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>\$0</u>	<u>\$0</u>	<u>(\$301)</u>	<u>(\$301)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$301)
Adjustments for revenue accruals	(1,785)
Adjustments for expenditures accruals	1,796
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$290)</u>

DONA ANA COUNTY
CAPITAL PROJECTS FUNDS
JUNE 30, 2007

Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital projects funds consist of the following:

Alto de Las Flores Water – To account for costs of the water system improvements.

Airport FAA Projects – To account for the costs of the development of airports in the County.

Border Industrial Park Assessment Project – To account for costs related to the construction and acquisition of Industrial Park improvements.

CDBG – Dona Ana Water System Improvements – To account for costs of the water system improvements.

CDBG – La Union Water Systems – To account for costs of the water system improvements.

County Admin. Building Project – To account for costs of the Administration Building Project.

Judicial Building Remodeling-Project – To account for the costs of remodeling the Judicial Building.

Utility Projects – To account for the cost of constructing wastewater systems in several communities.

DONA ANA COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Alto de Las Flores Water	Airport FAA Projects	Border Industrial Park Assessment Project	CDBG Dona Ana Water Sys. Improv.	CDBG La Union Water Systems
ASSETS					
Cash and cash equivalents	\$0	\$229,460	\$0	\$28,983	\$35
Interest receivable	0	0	0	0	0
Taxes receivable	0	0	0	0	0
Allowance for uncollectible taxes (credit)	0	0	0	0	0
Intergovernmental receivables	105,296	130,804	0	0	28,179
Due from other funds	0	115,416	343	0	0
Total assets	\$105,296	\$475,680	\$343	\$28,983	\$28,214
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$0	\$21,887	\$0	\$0	\$0
Wages and salaries payable	0	0	0	0	0
Intergovernmental payable	0	0	0	0	0
Due to other funds	103,046	0	0	0	0
Deferred revenues	0	92,470	0	0	0
Total liabilities	103,046	114,357	0	0	0
FUND BALANCES					
Reserved For:					
Debt Service	0	0	0	0	0
Capital acquisition	2,250	361,323	343	28,983	28,214
Unreserved and Undesignated:					
Reported in the special revenue fund	0	0	0	0	0
Total fund balances	2,250	361,323	343	28,983	28,214
Total liabilities and fund balances	\$105,296	\$475,680	\$343	\$28,983	\$28,214

DONA ANA COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	County Admin. Building Project	Judicial Building Remodeling Project	NMED County Wide Utilities	Utility Projects	Total
ASSETS					
Cash and cash equivalents	\$0	\$738,672	\$0	\$1,827,698	\$2,824,848
Interest receivable	0	0	0	0	0
Taxes receivable	0	0	0	0	0
Allowance for uncollectible taxes (credit)	0	0	0	0	0
Intergovernmental receivables	0	0	0	0	264,279
Due from other funds	0	0	0	0	115,759
Total assets	\$0	\$738,672	\$0	\$1,827,698	\$3,204,886

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$0	\$0	\$0	\$0	\$21,887
Wages and salaries payable	0	62,386	0	0	62,386
Intergovernmental payable	0	0	0	0	0
Due to other funds	0	0	0	0	103,046
Deferred revenues	0	0	0	202,866	295,336
Total liabilities	0	62,386	0	202,866	482,655

FUND BALANCES

Reserved For:					
Debt Service	0	0	0	0	0
Capital acquisition	0	676,286	0	1,624,832	2,722,231
Unreserved and Undesignated:					
Reported in the special revenue fund	0	0	0	0	0
Total fund balances	0	676,286	0	1,624,832	2,722,231
Total liabilities and fund balances	\$0	\$738,672	\$0	\$1,827,698	\$3,204,886

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Alto de Las Flores Water	Airport FAA Projects	Border Industrial Park Assessment Project	CDBG Dona Ana Water Sys. Improv.	CDBG La Union Water Systems
REVENUES					
Intergovernmental revenue and grants	\$103,046	\$1,002,318	\$0	\$0	\$390,700
Investment earnings	0	6,553	0	0	0
<i>Total revenues</i>	<u>103,046</u>	<u>1,008,871</u>	<u>0</u>	<u>0</u>	<u>390,700</u>
EXPENDITURES					
Capital outlay:					
Capital outlay	100,796	990,739	0	0	16,794
<i>Total expenditures</i>	<u>100,796</u>	<u>990,739</u>	<u>0</u>	<u>0</u>	<u>16,794</u>
<i>Excess (deficiency) or revenues over expenditures</i>	2,250	18,132	0	0	373,906
OTHER FINANCING SOURCES (USES)					
Transfers in	0	145,975	0	0	500
Transfers out (use)	0	0	0	0	0
Capital transfers out	0	0	0	0	(389,126)
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>145,975</u>	<u>0</u>	<u>0</u>	<u>(388,626)</u>
<i>Net change in fund balance</i>	2,250	164,107	0	0	(14,720)
Fund balance - July 1, beginning	0	134,006	343	28,983	42,934
Restatements	0	63,210	0	0	0
Fund balance - July 1, beginning as restated	<u>0</u>	<u>197,216</u>	<u>343</u>	<u>28,983</u>	<u>42,934</u>
<i>Fund balance - June 30, ending</i>	<u>\$2,250</u>	<u>\$361,323</u>	<u>\$343</u>	<u>\$28,983</u>	<u>\$28,214</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	County Admin. Building Project	Judicial Building Remodeling Project	NMED County Wide Utilities	Utility Projects	Total
REVENUES					
Intergovernmental revenue and grants	\$0	\$0	\$0	\$923,980	\$2,420,044
Investment earnings	4,277	20,898	0	75,418	107,146
<i>Total revenues</i>	4,277	20,898	0	999,398	\$2,527,190
EXPENDITURES					
Capital outlay:					
Capital outlay	564,129	141,106	0	0	1,813,564
<i>Total expenditures</i>	564,129	141,106	0	0	1,813,564
<i>Excess (deficiency) or revenues over expenditures</i>	(559,852)	(120,208)	0	999,398	713,626
OTHER FINANCING SOURCES (USES)					
Transfers in	0	796,494	0	0	942,969
Transfers out (use)	(8,494)	0	0	0	(8,494)
Capital transfers out	0	0	0	(4,737,376)	(5,126,502)
<i>Total other financing sources (uses)</i>	(8,494)	796,494	0	(4,737,376)	(4,192,027)
<i>Net change in fund balance</i>	(568,346)	676,286	0	(3,737,978)	(3,478,401)
Fund balance - July 1, beginning	568,346	0	331,951	253,554	1,360,117
Restatements	0	0	(331,951)	5,109,256	4,840,515
Fund balance - July 1, beginning as restated	568,346	0	0	5,362,810	6,200,632
<i>Fund balance - June 30, ending</i>	\$0	\$676,286	\$0	\$1,624,832	\$2,722,231

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
ALTO DE LAS FLORES WATER PROJECT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$2,520,000	\$5,430,221	\$103,146	(\$5,327,075)
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>2,520,000</u>	<u>5,430,221</u>	<u>103,146</u>	<u>(5,327,075)</u>
EXPENDITURES				
Current:				
Public works	0	0	0	0
Capital outlay	2,520,000	5,430,221	103,146	5,327,075
<i>Total expenditures</i>	<u>2,520,000</u>	<u>5,430,221</u>	<u>103,146</u>	<u>5,327,075</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$0
Adjustments for revenue accruals	(100)
Adjustments for expenditures accruals	2,350
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>\$2,250</u>

DONA ANA COUNTY
AIRPORT FAA PROJECTS
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$5,290,394	\$5,924,363	\$1,013,845	(\$4,910,518)
Investment earnings	6,000	6,000	6,553	553
<i>Total revenues</i>	<u>5,296,394</u>	<u>5,930,363</u>	<u>1,020,398</u>	<u>(4,909,965)</u>
EXPENDITURES				
Current:				
Public works	0	0	0	0
Capital outlay	5,436,326	6,076,270	1,030,164	5,046,106
<i>Total expenditures</i>	<u>5,436,326</u>	<u>6,076,270</u>	<u>1,030,164</u>	<u>5,046,106</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(139,932)	(145,907)	(9,766)	136,141
Other Financing Sources (Uses):				
Transfers (net)	140,000	145,975	145,975	0
Loan proceeds	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>140,000</u>	<u>145,975</u>	<u>145,975</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$68</u>	<u>\$68</u>	<u>\$136,209</u>	<u>\$136,141</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$136,209
Adjustments for revenue accruals	(11,527)
Adjustments for expenditures accruals	39,425
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</i>	<u>\$164,107</u>

DONA ANA COUNTY
CDBG LA UNION WATER SYSTEM
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$305,430	\$410,688	\$390,700	(\$19,988)
Investment earnings	0	0	0	0
<i>Total revenues</i>	<u>305,430</u>	<u>410,688</u>	<u>390,700</u>	<u>(19,988)</u>
EXPENDITURES				
Current:				
Public works				
Capital outlay	305,430	410,688	410,688	0
<i>Total expenditures</i>	<u>305,430</u>	<u>410,688</u>	<u>410,688</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures</i>	0	0	(19,988)	(19,988)
Other Financing Sources (Uses):				
Transfers (net)	500	500	500	0
Loan proceeds	0	0	0	0
<i>Total other financing sources (uses)</i>	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<u>\$500</u>	<u>\$500</u>	<u>(\$19,488)</u>	<u>(\$19,988)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$19,488)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	4,768
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>(\$14,720)</u>

DONA ANA COUNTY
COUNTY ADMINISTRATIVE BUILDING - PROJECT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Investment earnings	0	0	5,924	5,924
<i>Total revenues</i>	0	0	5,924	5,924
EXPENDITURES				
Current:				
Public works	0	0	0	0
Capital outlay	688,462	688,462	688,462	0
<i>Total expenditures</i>	688,462	688,462	688,462	0
<i>Excess (deficiency) of revenues over expenditures</i>	(688,462)	(688,462)	(682,538)	5,924
Other Financing Sources (Uses):				
Transfers (net)	0	(8,494)	(8,494)	0
Loan proceeds	0	0	0	0
<i>Total other financing sources (uses)</i>	0	(8,494)	(8,494)	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	(688,462)	(696,956)	(691,032)	5,924
Budgeted cash carryover	688,462	696,956	679,968	(16,988)
	\$0	\$0	(\$11,064)	(\$11,064)

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(\$691,032)
Adjustments for revenue accruals	(1,647)
Adjustments for expenditures accruals	124,333
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	(\$568,346)

DONA ANA COUNTY
JUDICIAL BUILDING REMODELING - PROJECT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$0	\$0	\$0	\$0
Investment earnings	0		20,898	20,898
<i>Total revenues</i>	0	0	20,898	20,898
EXPENDITURES				
Current:				
Public works	0	0	0	0
Capital outlay	796,494	796,494	78,720	717,774
<i>Total expenditures</i>	796,494	796,494	78,720	717,774
<i>Excess (deficiency) of revenues over expenditures</i>	(796,494)	(796,494)	(57,822)	738,672
Other Financing Sources (Uses):				
Transfers (net)	796,494	796,494	796,494	0
Loan proceeds	0	0	0	0
<i>Total other financing sources (uses)</i>	796,494	796,494	796,494	0
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	\$0	\$0	\$738,672	\$738,672

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$738,672
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(62,386)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$676,286

DONA ANA COUNTY
UTILITY PROJECTS
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Intergovernmental revenue and grants	\$300,000	\$2,173,263	\$703,405	(\$1,469,858)
Investment earnings	0	0	75,418	75,418
<i>Total revenues</i>	<u>300,000</u>	<u>2,173,263</u>	<u>778,823</u>	<u>(1,394,440)</u>
EXPENDITURES				
Current:				
Public works	0	0	0	0
Capital outlay	300,000	3,054,687	590,974	2,463,713
<i>Total expenditures</i>	<u>300,000</u>	<u>3,054,687</u>	<u>590,974</u>	<u>2,463,713</u>
<i>Excess (deficiency) of revenues over expenditures</i>	0	(881,424)	187,849	1,069,273
Budgeted cash carryover	0	881,424	881,424	0
	<u>\$0</u>	<u>\$0</u>	<u>\$1,069,273</u>	<u>\$1,069,273</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$187,849
Adjustments for revenue accruals	220,575
Adjustments for expenditures accruals	(4,146,402)
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$3,737,978)</u>

DONA ANA COUNTY
DEBT SERVICE FUND
JUNE 30, 2007

Debt Service Fund

The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DONA ANA COUNTY
DEBT SERVICE FUND
NONMAJOR GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS	
Cash and cash equivalents	\$7,045,023
Interest receivable - investments	30,890
Taxes receivable	56,123
Allowance for uncollectible taxes (credit)	(765)
Receivables (net of allowance for uncollectibles)	0
Intergovernmental receivables	0
Due from other funds	199,148
Inventories	0
<hr/>	
Total assets	\$7,330,419

LIABILITIES AND FUND BALANCES

LIABILITIES	
Accounts payable	\$0
Wages and salaries payable	0
Intergovernmental payable	0
Due to other funds	1,919,368
Accrued interest payable	0
Deferred revenues	45,223
<hr/>	
<i>Total liabilities</i>	<i>1,964,591</i>

FUND BALANCES

Reserved For:	
Debt Service	5,365,828
Capital acquisition	0
Unreserved and Undesignated:	
Reported in the special revenue fund	0
<hr/>	
<i>Total fund balances</i>	<i>5,365,828</i>

Total liabilities and fund balances	\$7,330,419
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DONA ANA COUNTY
DEBT SERVICE FUND
NONMAJOR GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

REVENUES	\$533,555
Property taxes	386,685
Investment earnings	920,240
<u>Total revenues</u>	<u>920,240</u>
EXPENDITURES	0
Debt Service:	2,730,000
Bond principal	2,933,964
Bond interest	47,631
Fiscal agent's fees	5,711,595
<u>Total expenditures</u>	<u>5,711,595</u>
<i>Excess (deficiency) or revenues over expenditures</i>	<i>(4,791,355)</i>
OTHER FINANCING SOURCES (USES)	4,722,216
Transfers in	(10,253)
Transfers out (use)	4,711,963
<u>Total other financing sources (uses)</u>	<u>4,711,963</u>
<i>Net change in fund balance</i>	<i>(79,392)</i>
Fund balance - July 1, beginning	6,100,323
Restatements	(655,103)
<u>Fund balance - July 1, as restated</u>	<u>5,445,220</u>
<u>Fund balance - June 30, ending</u>	<u>\$5,365,828</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
DEBT SERVICE FUND TYPES
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Taxes	\$504,000	\$504,000	\$535,363	\$31,363
Fees and services	0	0	652,780	652,780
Investment earnings	156,970	156,970	341,287	184,317
<i>Total revenues</i>	<u>660,970</u>	<u>660,970</u>	<u>1,529,430</u>	<u>868,460</u>
EXPENDITURES				
Current:				
Debt Service:				
Bond principal	2,730,000	2,730,000	2,730,000	0
Bond interest	2,980,691	2,980,691	2,980,690	1
Fiscal agent's fees	30,355	30,355	30,353	2
<i>Total expenditures</i>	<u>5,741,046</u>	<u>5,741,046</u>	<u>5,741,043</u>	<u>3</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(5,080,076)	(5,080,076)	(4,211,613)	868,463
Other Financing Sources (Uses):				
Transfers in	4,722,216	4,722,216	4,722,216	0
Transfers out (use)	0	(10,253)	(10,253)	0
<i>Total other financing sources (uses)</i>	<u>4,722,216</u>	<u>4,711,963</u>	<u>4,711,963</u>	<u>0</u>
<i>Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)</i>	(357,860)	(368,113)	500,350	868,463
Budgeted cash carryover	357,860	368,113	296,605	(71,508)
	<u>\$0</u>	<u>\$0</u>	<u>\$796,955</u>	<u>\$796,955</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$500,350
Adjustments for revenue accruals	(609,190)
Adjustments for expenditures accruals	29,448
<u>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)</u>	<u>(\$79,392)</u>

DONA ANA COUNTY
TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Special Revenue	Capital Projects	Debt Service	Total
ASSETS				
Cash and cash equivalents	\$16,012,185	\$2,824,848	\$7,045,023	\$25,882,056
Interest receivable	0	0	30,890	30,890
Taxes receivable	152,149	0	56,123	208,272
Allowance for uncollectible taxes (credit)	(2,227)	0	(765)	(2,992)
Intergovernmental receivables	3,723,614	264,279	0	3,987,893
Due from other funds	28,769	115,759	199,148	343,676
Total assets	\$19,914,490	\$3,204,886	\$7,330,419	\$30,449,795
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$397,239	\$21,887	\$0	\$419,126
Wages and salaries payable	17,187	62,386	0	79,573
Due to other funds	2,332,491	103,046	1,919,368	4,354,905
Deferred revenues	449,944	295,336	45,223	790,503
Total liabilities	3,196,861	482,655	1,964,591	5,644,107
FUND BALANCES				
Reserved For:				
Debt Service	0	0	5,365,828	5,365,828
Capital acquisition	0	2,722,231	0	2,722,231
Unreserved and Undesignated:				
Reported in the special revenue fund	16,717,629	0	0	16,717,629
Total fund balances	16,717,629	2,722,231	5,365,828	24,805,688
Total liabilities and fund balances	\$19,914,490	\$3,204,886	\$7,330,419	\$30,449,795

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Special Revenue	Capital Projects	Debt Service	Total
REVENUES				
Taxes:				
Property taxes	\$1,304,365	\$0	\$533,555	\$1,837,920
General sales and use taxes	2,378,945	0	0	2,378,945
Licenses and permits	0	0	0	0
Intergovernmental revenue and grants	10,515,825	2,420,044	0	12,935,869
Charges for services	1,233,514	0	0	1,233,514
Investment earnings	730,826	107,146	386,685	1,224,657
Other revenue	41,303	0	0	41,303
Total revenues	16,204,778	2,527,190	920,240	19,652,208
EXPENDITURES				
Current:				
General government	561,943	0	0	561,943
Public safety	7,202,891	0	0	7,202,891
Health and welfare	2,840,350	0	0	2,840,350
Culture and recreation	1,371	0	0	1,371
Debt Service:				
Bond principal	0	0	2,730,000	2,730,000
Bond interest	0	0	2,933,964	2,933,964
Fiscal agent's fees	0	0	47,631	47,631
Capital outlay:				
Capital outlay	5,057,003	1,813,564	0	6,870,567
Total expenditures	15,663,558	1,813,564	5,711,595	23,188,717
<i>Excess (deficiency) or revenues over expenditures</i>	541,220	713,626	(4,791,355)	(3,536,509)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,185,068	942,969	4,722,216	7,850,253
Transfers out (use)	(1,203,737)	(8,494)	(10,253)	(1,222,484)
Capital transfers out (use)	0	(5,126,502)	0	(5,126,502)
Total other financing sources (uses)	981,331	(4,192,027)	4,711,963	1,501,267
<i>Net change in fund balance</i>	1,522,551	(3,478,401)	(79,392)	(2,035,242)
Fund balance - July 1, beginning	18,542,475	1,360,117	6,100,323	26,002,915
Restatements	(3,347,397)	4,840,515	(655,103)	838,015
Fund balance - July 1, as restated	15,195,078	6,200,632	5,445,220	26,840,930
Fund balance - June 30, ending	\$16,717,629	\$2,722,231	\$5,365,828	\$24,805,688

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
ENTERPRISE FUNDS
JUNE 30, 2007

Enterprise Funds

Border Water System – To account for the service activities of the water system.

Chaparral Wastewater System – To account for the service activities of the wastewater system.

Dona Ana Wastewater System – To account for the service activities of the wastewater system.

La Union Wastewater System – To account for the service activities of the wastewater system.

Las Palmeras/Montana Vista Wastewater – To account for the service activities of the wastewater system.

NMED County Utilities – To account for the service activities of various County utility systems.

Rincon Wastewater System – To account for the service activities of the water system.

Salem/Ogas Wastewater System – To account for the service activities of the wastewater system.

Talavera Water System – To account for the service activities of the water system.

Casas del Quinto Sol – To account for activities that conduct and promote the enhancement and development of the Casas del Quinto Sol housing.

Home Choice Villa Sereno – To account for the sale of housing units owned and operated by the Housing Authority.

Villa Sereno Housing Project – To account for the rental activities of the County-owned low-income housing project.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Border Water System	Chaparral Wastewater System	Dona Ana Wastewater System	La Union Wastewater System	Las Palmeras/ Montana Vista Wastewater
ASSETS					
Current Assets:					
Cash and cash equivalents	\$169,645	\$100	\$7,098	\$80,967	\$431
Accounts receivable - net of allowance	4,000	0	0	4,691	0
Inventory	0	0	0	0	0
<i>Total current assets</i>	<u>173,645</u>	<u>100</u>	<u>7,098</u>	<u>85,658</u>	<u>431</u>
Non-Current Assets:					
Capital Assets:					
Land	4,115,449	0	0	39,761	0
Construction in progress	8,241	0	0	536,399	222,770
Infrastructure	6,539,424	0	3,631,976	5,248,788	705,560
Buildings	0	0	0	0	0
Machinery and equipment	0	0	49,402	0	0
Accumulated depreciation	(772,759)	0	(594,436)	(164,297)	(149,028)
<i>Total noncurrent assets</i>	<u>9,890,355</u>	<u>0</u>	<u>3,086,942</u>	<u>5,660,651</u>	<u>779,302</u>
Total assets	<u>\$10,064,000</u>	<u>\$100</u>	<u>\$3,094,040</u>	<u>\$5,746,309</u>	<u>\$779,733</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$1,789	\$0	\$7,744	\$2,683	\$1,600
Deferred revenue	96,638	0	0	0	0
Other current liabilities	0	0	0	0	0
Due to other funds	0	0	0	0	0
<i>Total current liabilities</i>	<u>98,427</u>	<u>0</u>	<u>7,744</u>	<u>2,683</u>	<u>1,600</u>
Non-Current Liabilities:					
Notes payable - noncurrent	0	0	0	527,003	0
Other noncurrent liabilities	0	0	0	0	0
<i>Total non-current liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>527,003</u>	<u>0</u>
Total liabilities	<u>98,427</u>	<u>0</u>	<u>7,744</u>	<u>529,686</u>	<u>1,600</u>
NET ASSETS					
Unrestricted net assets	9,965,573	100	3,086,296	5,216,623	778,133
Total net assets	<u>\$10,064,000</u>	<u>\$100</u>	<u>\$3,094,040</u>	<u>\$5,746,309</u>	<u>\$779,733</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	NMED County Utilities	Rincon Wastewater System	Salem/Ogas Wastewater System	Talavera Water System	Casas del Quinto Sol
ASSETS					
Current Assets:					
Cash and cash equivalents	\$0	\$64,897	\$55,578	\$824	\$0
Accounts receivable - net of allowance	426,112	2,733	6,790	0	147,828
Inventory	0	0	0	0	0
<i>Total current assets</i>	426,112	67,630	62,368	824	147,828
Non-Current Assets:					
Capital Assets:					
Land	1,400	32,683	0	0	0
Construction in progress	610,599	0	0	0	70,749
Infrastructure	1,690,558	1,631,851	3,454,284	0	0
Buildings	0	0	0	0	0
Machinery and equipment	0	5,602	5,783	0	0
Accumulated depreciation	(44,617)	(190,107)	(267,393)	0	0
<i>Total noncurrent assets</i>	2,257,940	1,480,029	3,192,674	0	70,749
Total assets	\$2,684,052	\$1,547,659	\$3,255,042	\$824	\$218,577
LIABILITIES					
Current Liabilities:					
Accounts payable	\$35,800	\$146	\$1,642	\$0	\$682
Deferred revenue	0	0	0	0	0
Other current liabilities	0	0	0	0	0
Due to other funds	204,498	0	0	0	147,146
<i>Total current liabilities</i>	240,298	146	1,642	0	147,828
Non-Current Liabilities:					
Notes payable - noncurrent	642,350	0	441,956	0	0
Other noncurrent liabilities	0	1,158	1,301	0	0
<i>Total non-current liabilities</i>	642,350	1,158	443,257	0	0
<i>Total liabilities</i>	882,648	1,304	444,899	0	147,828
NET ASSETS					
Unrestricted net assets	1,801,404	1,546,355	2,810,143	824	70,749
Total net assets	\$2,684,052	\$1,547,659	\$3,255,042	\$824	\$218,577

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	Home Choice Villa Sereno	Villa Sereno Housing Project	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$686,123	\$248,658	\$1,314,321
Accounts receivable - net of allowance	67,669	3,835	663,658
Inventory	0	0	0
<i>Total current assets</i>	<u>753,792</u>	<u>252,493</u>	<u>1,977,979</u>
Non-Current Assets:			
Capital Assets:			
Land	150,736	34,967	4,374,996
Construction in progress	0	0	1,448,758
Infrastructure	0	64,099	22,966,540
Buildings	67,638	555,551	623,189
Machinery and equipment	0	0	60,787
Accumulated depreciation	(3,171)	(276,372)	(2,462,180)
<i>Total noncurrent assets</i>	<u>215,203</u>	<u>378,245</u>	<u>27,012,090</u>
Total assets	<u>\$968,995</u>	<u>\$630,738</u>	<u>\$28,990,069</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$1,419	\$7,808	61,313
Deferred revenue	0	0	96,638
Other current liabilities	89,720	0	89,720
Due to other funds	0	0	351,644
<i>Total current liabilities</i>	<u>91,139</u>	<u>7,808</u>	<u>599,315</u>
Non-Current Liabilities:			
Notes payable - noncurrent	0	0	1,611,309
Other noncurrent liabilities	0	0	2,459
<i>Total non-current liabilities</i>	<u>0</u>	<u>0</u>	<u>1,613,768</u>
Total liabilities	<u>91,139</u>	<u>7,808</u>	<u>2,213,083</u>
NET ASSETS			
Unrestricted net assets	877,856	622,930	26,776,986
Total net assets	<u>\$968,995</u>	<u>\$630,738</u>	<u>\$28,990,069</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Border Water System	Chaparral Wastewater System	Dona Ana Wastewater System	La Union Wastewater System	Las Palmeras/ Montana Vista Wastewater
OPERATING REVENUES					
Charges for services	\$0	\$0	\$0	\$0	\$0
Charges for water services	104,327	0	0	0	0
Charges for sewerage service	0	0	82,057	52,936	0
Rents and royalties	0	0	0	0	0
Other revenue	13,630	100	0	16,710	0
Total operating revenues	117,957	100	82,057	69,646	0
OPERATING EXPENSES					
Personnel services - salaries and wages	15,557	0	0	15,578	0
Personnel services - employee benefits	4,252	0	0	0	0
Purchased professional and technical services	12,351	0	95,271	38,300	0
Purchased property services	15,427	0	0	2,913	0
Other operating expenses	16,511	0	0	2,919	0
Supplies	62	0	1,571	404	0
Depreciation	127,909	0	71,793	82,148	13,331
Total operating expenses	192,069	0	168,635	142,262	13,331
Operating income (loss)	(74,112)	100	(86,578)	(72,616)	(13,331)
NON-OPERATING REVENUES (EXPENSES)					
Gain on sale of property	0	0	0	0	0
Grants (not capital grants)	0	0	0	0	0
Investment earnings	7,441	0	145	4,288	0
Interest expense - non-operating	0	0	0	0	0
Total non-operating revenues (expenses)	7,441	0	145	4,288	0
Income (loss) before transfers	(66,671)	100	(86,433)	(68,328)	(13,331)
Transfers in	0	0	0	0	0
Capital transfer in	0	0	0	1,141,374	0
Capital transfer out	0	0	0	0	0
Transfers out	0	0	0	(12,500)	(48,138)
Change in net assets	(66,671)	100	(86,433)	1,060,546	(61,469)
Total net assets - July 1, beginning	10,112,216	0	3,161,049	4,154,612	842,836
Restatements	(79,972)	0	11,680	1,465	(3,234)
Total net assets July 1, as restated	10,032,244	0	3,172,729	4,156,077	839,602
Total net assets - June 30, ending	\$9,965,573	\$100	\$3,086,296	\$5,216,623	\$778,133

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	NMED County Utilities	Rincon Wastewater System	Salem/Ogas Wastewater System	Talavera Water System	Casas del Quinto Sol
OPERATING REVENUES					
Charges for services	\$0	\$0	\$0	\$0	\$0
Charges for water services	0	0	0	0	0
Charges for sewerage service	0	28,949	53,359	0	0
Rents and royalties	0	0	0	0	142,084
Other revenue	0	24,905	6,070	0	0
<i>Total operating revenues</i>	<u>0</u>	<u>53,854</u>	<u>59,429</u>	<u>0</u>	<u>142,084</u>
OPERATING EXPENSES					
Personnel services - salaries and wages	0	6,504	26,907	0	0
Personnel services - employee benefits	0	2,152	2,858	0	0
Purchased professional and technical services	0	2,971	3,087	0	0
Purchased property services	0	4,762	9,127	0	0
Other operating expenses	30,781	8,507	9,960	0	71,335
Supplies	0	266	929	0	0
Depreciation	44,617	33,176	79,780	0	0
<i>Total operating expenses</i>	<u>75,398</u>	<u>58,338</u>	<u>132,648</u>	<u>0</u>	<u>71,335</u>
<i>Operating income (loss)</i>	(75,398)	(4,484)	(73,219)	0	70,749
NON-OPERATING REVENUES (EXPENSES)					
Gain on sale of property	0	0	0	0	0
Grants (not capital grants)	0	0	0	0	0
Investment earnings	2,906	2,061	2,603	0	0
Interest expense - non-operating	0	0	0	0	0
<i>Total non-operating revenues (expenses)</i>	<u>2,906</u>	<u>2,061</u>	<u>2,603</u>	<u>0</u>	<u>0</u>
<i>Income (loss) before transfers</i>	(72,492)	(2,423)	(70,616)	0	70,749
Transfers in	68,407	0	0	0	0
Capital transfer in	1,626,222	0	0	0	0
Capital transfer out	0	0	0	0	0
Transfers out	0	(2,500)	(5,797)	(3,762)	0
<i>Change in net assets</i>	1,622,137	(4,923)	(76,413)	(3,762)	70,749
Total net assets - July 1, beginning	209,951	1,550,966	2,910,899	4,586	0
Restatements	(30,684)	312	(24,343)	0	0
Total net assets July 1, as restated	<u>179,267</u>	<u>1,551,278</u>	<u>2,886,556</u>	<u>4,586</u>	<u>0</u>
Total net assets - June 30, ending	<u>\$1,801,404</u>	<u>\$1,546,355</u>	<u>\$2,810,143</u>	<u>\$824</u>	<u>\$70,749</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Home Choice Villa Sereno	Villa Sereno Housing Project	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$0	\$0	\$0
Charges for water services	0	0	104,327
Charges for sewerage service	0	0	217,301
Rents and royalties	0	21,708	163,792
Other revenue	115	1,434	62,964
<i>Total operating revenues</i>	<u>115</u>	<u>23,142</u>	<u>548,384</u>
OPERATING EXPENSES			
Personnel services - salaries and wages	7,523	12,800	84,869
Personnel services - employee benefits	3,162	9,575	21,999
Purchased professional and technical services	0	0	151,980
Purchased property services	0	0	32,229
Other operating expenses	9,261	24,786	174,060
Supplies	0	0	3,232
Depreciation	3,171	23,417	479,342
<i>Total operating expenses</i>	<u>23,117</u>	<u>70,578</u>	<u>947,711</u>
<i>Operating income (loss)</i>	(23,002)	(47,436)	(399,327)
NON-OPERATING REVENUES (EXPENSES)			
Gain in sale of property	87,464	0	87,464
Grants (not capital grants)	0	33,726	33,726
Investment earnings	24,580	10,181	54,205
Interest expense - non-operating	0	0	0
<i>Total non-operating revenues (expenses)</i>	<u>112,044</u>	<u>43,907</u>	<u>175,395</u>
<i>Income (loss) before transfers</i>	89,042	(3,529)	(223,932)
Transfers in	0	3,737	72,144
Capital transfer in	215,204	0	2,982,800
Capital transfer out	(54,906)	(160,298)	(215,204)
Transfers out	0	0	(72,697)
<i>Change in net assets</i>	249,340	(160,090)	2,543,111
Total net assets - July 1, beginning	628,516	783,020	24,358,651
Restatements	0	0	(124,776)
Total net assets July 1, as restated	<u>628,516</u>	<u>783,020</u>	<u>24,233,875</u>
Total net assets - June 30, ending	<u>\$877,856</u>	<u>\$622,930</u>	<u>\$26,776,986</u>

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Border Water System	Chaparral Wastewater System	Dona Ana Wastewater System	La Union Wastewater System	Las Palmeras/ Montana Vista Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from user charges	\$119,611	\$100	\$82,057	\$77,870	\$0
Cash payments to employees for services	(23,523)	0	0	(15,578)	0
Cash payments for suppliers	(68,888)	0	(96,383)	(41,993)	0
<i>Net cash provided by (used for) operating activities</i>	27,200	100	(14,326)	20,299	0
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating transfers (out)	0	0	0	(12,500)	(48,138)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	0	0	0	(1,141,374)	0
Capital contributed by (to) other funds	0	0	0	1,141,374	(3,234)
Proceeds from sale of assets	525	0	0	0	3,234
Proceeds from debt	0	0	0	0	0
Interest paid on debt	0	0	0	(9,532)	0
Due to HACLC	0	0	0	0	0
Grant revenue	0	0	0	0	0
Due from sale of assets	0	0	0	0	0
<i>Net cash provided by (used for) capital and related financing activities</i>	525	0	0	(9,532)	0
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and dividends on investments	7,441	0	145	4,288	0
<i>Net increase (decrease) in cash and cash equivalents</i>	35,166	100	(14,181)	2,555	(48,138)
Cash and cash equivalents at beginning of year	134,479	0	21,279	78,412	48,569
<i>Cash and cash equivalents at end of year</i>	\$169,645	\$100	\$7,098	\$80,967	\$431

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Border Water System	Chaparral Wastewater System	Dona Ana Wastewater System	La Union Wastewater System	Las Palmeras/ Montana Vista Wastewater
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For)					
Operating Activities:					
Operating income (loss)	(\$74,112)	\$100	(\$86,578)	(\$72,616)	(\$13,331)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For)					
Operating Activities:					
Depreciation	127,909	0	71,796	82,149	13,332
Effect of Increases and Decreases in Current Assets and Liabilities:					
Decrease (Increase) in:					
Receivables	0	0	0	8,224	0
Increase (Decrease) in:					
Accounts payable	(24,537)	0	456	2,542	(1)
Deferred revenue	1,654	0	0	0	0
Other	(3,714)	0	0	0	0
Net cash provided by (used for) operating activities	\$27,200	\$100	(\$14,326)	\$20,299	\$0
Reconciliation of Total Cash and Cash Equivalents:					
Cash and cash equivalents on balance sheet	\$169,645	\$100	\$7,098	\$80,967	\$431

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	NMED County Utilities	Rincon Wastewater System	Salem/Ogas Wastewater System	Talavera Water System	Casas del Quinto Sol
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from user charges	\$797,415	\$60,211	\$68,649	\$810	\$142,084
Cash payments to employees for services	0	(8,593)	(28,843)	0	0
Cash payments for suppliers	(1,768)	(19,087)	(25,593)	0	(71,335)
<i>Net cash provided by (used for) operating activities</i>	795,647	32,531	14,213	810	70,749
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating transfers (out)	(707,335)	(2,500)	(5,797)	(3,762)	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(2,237,790)	0	0	0	(70,749)
Capital contributed by (to) other funds	1,294,271	0	0	0	0
Proceeds from sale of assets	0	0	0	0	0
Proceeds from debt	642,350	0	0	0	0
Interest paid on debt	0	0	(15,482)	0	0
Due to HACLC	0	0	0	0	0
Grant revenue	0	0	0	0	0
Due from sale of assets	0	0	0	0	0
<i>Net cash provided by (used for) capital and related financing activities</i>	(301,169)	0	(15,482)	0	(70,749)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and dividends on investments	2,906	2,061	2,603	0	0
<i>Net increase (decrease) in cash and cash equivalents</i>	(209,951)	32,092	(4,463)	(2,952)	0
Cash and cash equivalents at beginning of year	209,951	32,805	60,041	3,776	0
<i>Cash and cash equivalents at end of year</i>	\$0	\$64,897	\$55,578	\$824	\$0

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	NMED County Utilities	Rincon Wastewater System	Salem/Ogas Wastewater System	Talavera Water System	Casas del Quinto Sol
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For)					
Operating Activities:					
Operating income (loss)	(\$75,398)	(\$4,484)	(\$73,219)	\$0	\$70,749
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For)					
Operating Activities:					
Depreciation	44,617	33,176	79,781	0	0
Effect of Increases and Decreases in Current Assets and Liabilities:					
Decrease (Increase) in:					
Receivables	797,415	6,357	9,220	810	0
Increase (Decrease) in:					
Accounts payable	29,013	(2,581)	(2,491)	0	0
Deferred revenue	0	0	0	0	0
Other	0	63	922	0	0
Net cash provided by (used for) operating activities	\$795,647	\$32,531	\$14,213	\$810	\$70,749
 Reconciliation of Total Cash and Cash Equivalents:					
Cash and cash equivalents on balance sheet	\$0	\$64,897	\$55,578	\$824	\$0

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Home Choice Villa Sereno	Villa Sereno Housing Project	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from user charges	\$197	\$23,273	\$1,372,277
Cash payments to employees for services	(10,685)	(22,375)	(109,597)
Cash payments for suppliers	(11,156)	(71,919)	(408,122)
<i>Net cash provided by (used for) operating activities</i>	(21,644)	(71,021)	854,558
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers (out)	0	3,737	(776,295)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(67,638)	0	(3,517,551)
Capital contributed by (to) other funds	160,298	(160,298)	2,432,411
Proceeds from sale of assets	87,465	208,116	299,340
Proceeds from debt	0	0	642,350
Interest paid on debt	0	0	(25,014)
Due to HACLC	89,720	0	89,720
Grant revenue	0	33,726	33,726
Due from sale of assets	(67,669)	0	(67,669)
<i>Net cash provided by (used for) capital and related financing activities</i>	202,176	81,544	(112,687)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	24,580	10,181	54,205
<i>Net increase (decrease) in cash and cash equivalents</i>	205,112	24,441	19,781
Cash and cash equivalents at beginning of year	481,011	224,217	1,294,540
<i>Cash and cash equivalents at end of year</i>	\$686,123	\$248,658	\$1,314,321

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Home Choice Villa Sereno	Villa Sereno Housing Project	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For)			
Operating Activities:			
Operating income (loss)	(\$23,002)	(\$47,436)	(\$399,327)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used For)			
Operating Activities:			
Depreciation	3,171	(24,398)	431,533
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (Increase) in:			
Receivables	82	131	822,239
Increase (Decrease) in:			
Accounts payable	(1,895)	682	1,188
Deferred revenue	0	0	1,654
Other	0	0	(2,729)
<i>Net cash provided by (used for) operating activities</i>	(\$21,644)	(\$71,021)	\$854,558
Reconciliation of Total Cash and Cash Equivalents:			
Cash and cash equivalents on balance sheet	\$686,123	\$248,658	\$1,314,321

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
BORDER WASTEWATER
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$62,000	\$83,871	\$88,353	\$4,482
<i>Total operating revenues</i>	62,000	83,871	88,353	4,482
OPERATING EXPENDITURES				
Personnel	17,222	17,222	19,809	(2,587)
Operating	39,600	61,471	49,132	12,339
Capital outlay	0	0	0	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	56,822	78,693	68,941	9,752
<i>Operating income (loss)</i>	5,178	5,178	19,412	14,234
Non-Operating Revenues (Expenditures):				
Transfers out	0	0	0	0
Transfers in	0	0	0	0
Investment earnings	800	800	1,785	985
<i>Total non-operating revenues (expenditures)</i>	800	800	1,785	985
<i>Net income after non-operating revenues (expenditures)</i>	\$5,978	\$5,978	\$21,197	\$15,219

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	\$21,197
Adjustments for revenue accruals	(1)
Adjustments for expenditures accruals	(94,480)
Change in net assets (GAAP Basis)	(\$73,284)

DONA ANA COUNTY
BORDER WATER SYSTEM
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$110,100	\$133,772	\$33,285	(\$100,487)
<i>Total operating revenues</i>	<u>110,100</u>	<u>133,772</u>	<u>33,285</u>	<u>(100,487)</u>
OPERATING EXPENDITURES				
Personnel	17,222	17,222	20,427	(3,205)
Operating	47,680	84,080	57,341	26,739
Capital outlay	0	0	0	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	<u>64,902</u>	<u>101,302</u>	<u>77,768</u>	<u>23,534</u>
<i>Operating income (loss)</i>	<u>45,198</u>	<u>32,470</u>	<u>(44,483)</u>	<u>(76,953)</u>
Non-Operating Revenues (Expenditures):				
Transfers out	0	0	0	0
Transfers in	0	0	0	0
Investment earnings	1,000	1,000	7,441	6,441
<i>Total non-operating revenues (expenditures)</i>	<u>1,000</u>	<u>1,000</u>	<u>7,441</u>	<u>6,441</u>
<i>Net income after non-operating revenues (expenditures)</i>	<u>\$46,198</u>	<u>\$33,470</u>	<u>(\$37,042)</u>	<u>(\$70,512)</u>

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	(\$37,042)
Adjustments for revenue accruals	84,672
Adjustments for expenditures accruals	(114,301)
Change in net assets (GAAP Basis)	(\$66,671)

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
CASAS DEL QUINTO SOL
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Intergovernmental	\$0	\$0	\$142,084	\$142,084
<i>Total operating revenues</i>	0	0	142,084	142,084
OPERATING EXPENDITURES				
Personnel	0	0	0	0
Operating	0	0	71,335	(71,335)
Capital outlay	0	0	0	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	0	0	71,335	(71,335)
<i>Operating income (loss)</i>	0	0	70,749	70,749
Non-Operating Revenues (Expenditures):				
Transfers out	0	0	0	0
Transfers in	0	0	0	0
Investment earnings	0	0	0	0
<i>Total non-operating revenues (expenditures)</i>	0	0	0	0
<i>Net income after non-operating revenues (expenditures)</i>	\$0	\$0	\$70,749	\$70,749

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	\$70,749
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	0
Change in net assets (GAAP Basis)	\$70,749

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
DONA ANA WASTEWATER SYSTEM
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$73,200	\$87,200	\$82,057	(\$5,143)
<i>Total operating revenues</i>	73,200	87,200	82,057	(5,143)
OPERATING EXPENDITURES				
Personnel	0	0	0	0
Operating	90,000	97,000	95,466	1,534
Capital outlay	0	0	0	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	90,000	97,000	95,466	1,534
<i>Operating income (loss)</i>	(16,800)	(9,800)	(13,409)	(3,609)
Non-Operating Revenues (Expenditures):				
Transfers out	0	0	0	0
Transfers in	0	0	0	0
Investment earnings	0	0	145	145
<i>Total non-operating revenues (expenditures)</i>	0	0	145	145
<i>Net income after non-operating revenues (expenditures)</i>	(16,800)	(9,800)	(13,264)	(3,464)
Budgeted cash carryover	16,800	16,800	16,800	0
	\$0	\$7,000	\$3,536	(\$3,464)

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	(\$13,264)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(73,169)
Change in net assets (GAAP Basis)	(\$86,433)

DONA ANA COUNTY
HOME CHOICE DEVELOPMENT
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Home sales	\$480,270	\$480,270	\$285,115	(\$195,155)
<i>Total operating revenues</i>	480,270	480,270	285,115	(195,155)
OPERATING EXPENDITURES				
Personnel	11,502	11,502	10,685	817
Operating	78,060	78,060	209,968	(131,908)
Capital outlay	0	0	0	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	89,562	89,562	220,653	(131,091)
<i>Operating income (loss)</i>	390,708	390,708	64,462	(326,246)
Non-Operating Revenues (Expenditures):				
Transfers out	0	0	0	0
Transfers in	160,298	160,298	160,298	0
Investment earnings	0	0	24,579	24,579
<i>Total non-operating revenues (expenditures)</i>	160,298	160,298	184,877	24,579
<i>Net income after non-operating revenues (expenditures)</i>	\$551,006	\$551,006	\$249,339	(\$301,667)

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	\$249,339
Adjustments for revenue accruals	(197,535)
Adjustments for expenditures accruals	197,536
Change in net assets (GAAP Basis)	\$249,340

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
LA UNION WASTEWATER
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$56,100	\$70,910	\$77,366	\$6,456
<i>Total operating revenues</i>	56,100	70,910	77,366	6,456
OPERATING EXPENDITURES				
Personnel	19,458	19,458	15,578	3,880
Operating	34,200	56,510	51,533	4,977
Capital outlay	0	0	0	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	53,658	75,968	67,111	8,857
<i>Operating income (loss)</i>	2,442	(5,058)	10,255	15,313
Non-Operating Revenues (Expenditures):				
Transfers out	(12,500)	(12,500)	(12,500)	0
Transfers in	0	0	0	0
Investment earnings	0	0	0	0
<i>Total non-operating revenues (expenditures)</i>	(12,500)	(12,500)	(12,500)	0
<i>Net income after non-operating revenues (expenditures)</i>	(10,058)	(17,558)	(2,245)	15,313
Budgeted cash carryover	10,058	17,558	17,558	0
	\$0	\$0	\$15,313	\$15,313

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	(\$2,245)
Adjustments for revenue accruals and capital transfers	1,137,942
Adjustments for expenditures accruals	(75,151)
Change in net assets (GAAP Basis)	\$1,060,546

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
LAS PALMERAS/MONTANA VISTA WASTEWATER SERV.
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$0	\$0	\$0	\$0
<i>Total operating revenues</i>	0	0	0	0
OPERATING EXPENDITURES				
Personnel	0	0	0	0
Operating	0	0	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	0	0	0	0
<i>Operating income (loss)</i>	0	0	0	0
Non-Operating Revenues (Expenditures):				
Transfers out	(48,138)	(48,138)	(48,138)	0
Transfers in	0	0	0	0
Investment earnings	0	0	0	0
<i>Total non-operating revenues (expenditures)</i>	(48,138)	(48,138)	(48,138)	0
<i>Net income after non-operating revenues (expenditures)</i>	(\$48,138)	(\$48,138)	(\$48,138)	\$0

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	(\$48,138)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	(13,331)
Change in net assets (GAAP Basis)	(\$61,469)

DONA ANA COUNTY
NMED CWSRLF - COUNTY WIDE UTILITIES
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Intergovernmental revenue and grants	\$1,000,000	\$1,000,000	\$0	(\$1,000,000)
<i>Total operating revenues</i>	1,000,000	1,000,000	0	(1,000,000)
OPERATING EXPENDITURES				
Capital outlay	1,000,000	1,000,000	613,336	386,664
<i>Total operating expenditures</i>	1,000,000	1,000,000	613,336	386,664
<i>Operating income (loss)</i>	0	0	(613,336)	(613,336)
Non-Operating Revenues (Expenditures):				
Transfers (net)	68,407	68,407	68,407	0
Loan proceeds	0	0	673,576	673,576
Investment earnings	0	0	2,906	2,906
<i>Total non-operating revenues (expenditures)</i>	68,407	68,407	744,889	676,482
<i>Net income after non-operating revenues (expenditures)</i>	\$68,407	\$68,407	\$131,553	\$63,146

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	\$131,553
Adjustments for revenue accruals and capital transfers	952,646
Adjustments for expenditures accruals	537,938
Change in net assets (GAAP Basis)	\$1,622,137

DONA ANA COUNTY
RINCON WASTEWATER
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$21,800	\$21,800	\$56,194	\$34,394
<i>Total operating revenues</i>	21,800	21,800	56,194	34,394
OPERATING EXPENDITURES				
Personnel	7,529	7,529	8,576	(1,047)
Operating	14,810	14,510	12,867	1,643
Capital outlay	1,200	2,500	2,500	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	23,539	24,539	23,943	596
<i>Operating income (loss)</i>	(1,739)	(2,739)	32,251	34,990
Non-Operating Revenues (Expenditures):				
Transfers out	(2,500)	(2,500)	(2,500)	0
Transfers in	0	0	0	0
Investment earnings	250	250	2,061	1,811
<i>Total non-operating revenues (expenditures)</i>	(2,250)	(2,250)	(439)	1,811
<i>Net income after non-operating revenues (expenditures)</i>	(3,989)	(4,989)	31,812	36,801
Budgeted cash carryover	3,989	4,989	4,989	0
	\$0	\$0	\$36,801	\$36,801

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	\$31,812
Adjustments for revenue accruals	(2,340)
Adjustments for expenditures accruals	(34,395)
Change in net assets (GAAP Basis)	(\$4,923)

DONA ANA COUNTY
SALEM/OGAS WASTEWATER
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$53,800	\$53,800	\$67,138	\$13,338
<i>Total operating revenues</i>	53,800	53,800	67,138	13,338
OPERATING EXPENDITURES				
Personnel	40,183	40,183	28,781	11,402
Operating	34,245	34,245	32,240	2,005
Capital outlay	500	500	1,294	(794)
Debt service	0	0	0	0
<i>Total operating expenditures</i>	74,928	74,928	62,315	12,613
<i>Operating income (loss)</i>	(21,128)	(21,128)	4,823	25,951
Non-Operating Revenues (Expenditures):				
Transfers out	(5,797)	(5,797)	(5,797)	0
Transfers in	0	0	0	0
Investment earnings	500	500	2,603	2,103
<i>Total non-operating revenues (expenditures)</i>	(5,297)	(5,297)	(3,194)	2,103
<i>Net income after non-operating revenues (expenditures)</i>	(26,425)	(26,425)	1,629	28,054
Budgeted cash carryover	26,425	26,425	26,425	0
	\$0	\$0	\$28,054	\$28,054

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	\$1,629
Adjustments for revenue accruals	(7,709)
Adjustments for expenditures accruals	(70,333)
Change in net assets (GAAP Basis)	(\$76,413)

DONA ANA COUNTY
SOUTH CENTRAL WASTEWATER
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$554,000	\$554,000	\$659,986	\$105,986
<i>Total operating revenues</i>	554,000	554,000	659,986	105,986
OPERATING EXPENDITURES				
Personnel	230,103	248,103	252,890	(4,787)
Operating	216,870	235,963	226,046	9,917
Capital outlay	78,400	41,307	36,976	4,331
Debt service	0	0	0	0
<i>Total operating expenditures</i>	525,373	525,373	515,912	9,461
<i>Operating income (loss)</i>	28,627	28,627	144,074	115,447
Non-Operating Revenues (Expenditures):				
Transfers out	(47,610)	(47,610)	(47,610)	0
Transfers in	51,900	51,900	51,900	0
Investment earnings	5,000	5,000	19,613	14,613
<i>Total non-operating revenues (expenditures)</i>	9,290	9,290	23,903	14,613
<i>Net income after non-operating revenues (expenditures)</i>	\$37,917	\$37,917	\$167,977	\$130,060

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	\$167,977
Adjustments for revenue accruals and capital transfers	2,312,542
Adjustments for expenditures accruals	(447,239)
Change in net assets (GAAP Basis)	\$2,033,280

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
VILLA SERENO - LOW INCOME HOUSING PROJECT
ENTERPRISE FUNDS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES				
Fees and services	\$76,846	\$76,846	\$56,868	(\$19,978)
<i>Total operating revenues</i>	<u>76,846</u>	<u>76,846</u>	<u>56,868</u>	<u>(19,978)</u>
OPERATING EXPENDITURES				
Personnel	47,279	47,279	31,657	15,622
Operating	29,509	29,509	38,922	(9,413)
Capital outlay	0	0	0	0
Debt service	0	0	0	0
<i>Total operating expenditures</i>	<u>76,788</u>	<u>76,788</u>	<u>70,579</u>	<u>6,209</u>
<i>Operating income (loss)</i>	<u>58</u>	<u>58</u>	<u>(13,711)</u>	<u>(13,769)</u>
Non-Operating Revenues (Expenditures):				
Transfers out	0	(160,298)	(160,298)	0
Transfers in	0	3,737	3,737	0
Investment earnings	1,900	1,900	10,181	8,281
<i>Total non-operating revenues (expenditures)</i>	<u>1,900</u>	<u>(154,661)</u>	<u>(146,380)</u>	<u>8,281</u>
<i>Net income after non-operating revenues (expenditures)</i>	<u>1,958</u>	<u>(154,603)</u>	<u>(160,091)</u>	<u>(5,488)</u>
Budgeted cash carryover	0	154,603	154,603	0
	<u>\$1,958</u>	<u>\$0</u>	<u>(\$5,488)</u>	<u>(\$5,488)</u>

Budgetary - GAAP Reporting Reconciliation:

Net income after non-operating revenues (expenditures)	(\$160,091)
Adjustments for revenue accruals	0
Adjustments for expenditures accruals	1
Change in net assets (GAAP Basis)	(\$160,090)

The Notes to Financial Statements are and integral part of these statements.

DONA ANA COUNTY
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
COST TO STATE/TREASURER				
Assets				
Cash and cash equivalents	\$25	\$6,308	\$6,008	\$325
Liabilities				
Due to others	\$25	\$6,308	\$6,008	\$325
FAMILY SELF-SUFFICIENCY FUND				
Assets				
Cash and cash equivalents	\$6,169	\$0	\$6,169	\$0
Liabilities				
Due to others	\$6,169	\$0	\$6,169	\$0
INMATE WELFARE FUND				
Assets				
Cash and cash equivalents	\$102,510	\$148,870	\$142,116	\$109,264
Liabilities				
Due to others	\$102,510	\$148,870	\$142,116	\$109,264
INMATE TRUST FUND				
Assets				
Cash and cash equivalents	\$39,334	\$1,844,115	\$1,844,748	\$38,701
Liabilities				
Due to others	\$39,334	\$1,844,115	\$1,844,748	\$38,701
CHILDREN'S TRUST FUND				
Assets				
Cash and cash equivalents	\$2,115	\$20,614	\$20,599	\$2,130
Liabilities				
Due to others	\$2,115	\$20,614	\$20,599	\$2,130
CDBG LOAN FUND				
Assets				
Cash and cash equivalents	\$0	\$183,470	\$201,817	(\$18,347)
Other receivables	134,401	18,347	31,631	121,117
<i>Total assets</i>	<i>\$134,401</i>	<i>\$201,817</i>	<i>\$233,448</i>	<i>\$102,770</i>
Liabilities				
Notes payable	\$134,401	\$0	\$31,631	\$102,770

DONA ANA COUNTY
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
FILLMORE SPECIAL ASSESSMENT				
Assets				
Cash and cash equivalents	\$7,978	\$54,202	\$62,180	\$0

Liabilities				
Due to others	\$7,978	\$54,202	\$62,180	\$0

PROPERTY TAX FUND

Assets				
Cash and cash equivalents	\$1,032,179	\$95,695,556	\$95,633,962	\$1,093,773
Taxes receivable, net	3,630,035	4,553,558	3,630,035	4,553,578
<i>Total assets</i>	<u>\$4,662,214</u>	<u>\$100,249,114</u>	<u>\$99,263,997</u>	<u>\$5,647,351</u>

Liabilities				
Accounts payable	\$376,174	\$49,622,845	\$49,998,739	\$280
Overpayments	(175,312)	391,044	215,732	0
Taxes paid in advance	440,917	521,647	627,299	335,265
Taxes in suspense	0	434,891	0	434,891
Due to others	524,395	49,767,148	49,421,976	869,567
Deferred revenue	3,496,040	4,007,348	3,496,040	4,007,348
<i>Total liabilities</i>	<u>\$4,662,214</u>	<u>\$104,744,923</u>	<u>\$103,759,786</u>	<u>\$5,647,351</u>

AIRPORT ROAD - SPECIAL ASSESSMENT - 2001A

Assets				
Cash and cash equivalents	\$2,932	\$1,503,127	\$1,506,059	\$0

Liabilities				
Due to others	\$2,932	\$1,503,127	\$1,506,059	\$0

BORDER PARK - SPECIAL ASSESSMENT 2001B

Assets				
Cash and cash equivalents	\$0	\$1,944,847	\$1,952,169	\$0

Liabilities				
Due to others	\$0	\$1,944,847	\$1,952,169	\$0

DONA ANA COUNTY
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$1,193,242	\$101,401,109	\$101,368,505	\$1,225,846
Taxes receivable	3,630,035	4,553,578	3,630,035	4,553,578
Other receivables	134,401	18,347	31,631	121,117
<i>Total assets</i>	<u>\$4,957,678</u>	<u>\$105,973,034</u>	<u>\$105,030,171</u>	<u>\$5,900,541</u>
Liabilities				
Accounts payable	\$376,174	\$49,622,845	\$49,998,739	\$280
Overpayments	(175,312)	391,044	215,732	0
Taxes paid in advance	440,917	521,647	627,299	335,265
Taxes in suspense	0	434,891	0	434,891
Due to others	685,458	55,289,231	54,954,702	1,019,987
Notes payable	134,401	0	31,631	102,770
Deferred revenue	3,496,040	4,007,348	3,496,040	4,007,348
<i>Total liabilities</i>	<u>\$4,957,678</u>	<u>\$110,267,006</u>	<u>\$109,324,143</u>	<u>\$5,900,541</u>

SUPPLEMENTARY DATA

DONA ANA COUNTY
SCHEDULE OF RECONCILIATION OF PROPERTY TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Reconciliation of Property Taxes Receivable

Taxes receivable, beginning of year	\$6,097,790
2006 Allowance added back	1,255,518
2005 Property tax assessment	76,927,612
Tax roll corrections and adjustments, net	5,945
	84,286,865
Less Taxes Collected:	
Current	73,802,762
Delinquent	1,577,151
Taxes collected in advance applied to current year	627,299
	76,007,212
<i>Total taxes collected</i>	76,007,212
Total taxes to be collected	8,279,653
Allowance for uncollected taxes	(121,198)
	\$8,158,455

Taxes receivable, end of year

Property Taxes Receivable by Years:

2006	4,321,141
2005	1,408,933
2004	576,203
2003	471,929
2002	283,283
2001	212,466
2000	156,370
1999	165,925
1998	566,966
1997	116,437
	8,279,653
<i>Total taxes receivable</i>	8,279,653
Allowance for uncollected taxes	(121,198)
	\$8,158,455

Taxes receivable, net of allowance

DONA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	Allowance	Undistributed at Year-End	County Receivable at Year-End
DONA ANA COUNTY:										
General Ad Valorem	2006	24,435,681	23,957,650	23,957,938	23,767,544	23,957,938	0	6,993	0	470,750
General Ad Valorem	2005	21,707,944	755,926	21,283,531	970,463	21,283,531	0	6,213	0	418,200
General Ad Valorem	2004	20,071,440	246,614	19,679,023	215,361	19,679,023	0	5,744	0	386,673
General Ad Valorem	2003	18,604,578	46,121	18,240,839	80,852	18,240,839	0	5,324	0	358,415
General Ad Valorem	2002	17,643,346	33,939	17,298,400	37,629	17,298,400	0	5,049	0	339,897
General Ad Valorem	2001	16,430,792	10,647	16,109,553	12,289	16,109,553	0	4,702	0	316,537
General Ad Valorem	2000	15,522,623	6,517	15,219,140	7,980	15,219,140	0	4,442	0	299,041
General Ad Valorem	1999	14,436,504	4,726	14,154,255	4,606	14,154,255	0	4,132	0	278,117
General Ad Valorem	1998	13,768,222	1,049	13,499,039	944	13,499,039	0	3,940	0	265,243
General Ad Valorem	1997	12,979,101	526	12,725,346	379	12,725,346	0	3,714	0	250,041
Total General Ad Valorem		175,600,231	25,063,715	172,167,064	25,098,046	172,167,064	0	50,253	0	3,382,914
Non-Rendition Penalty	2006	89,037	87,297	87,297	85,383	87,297	0	25	0	1,715
Non-Rendition Penalty	2005	113,494	10,250	111,276	11,764	111,276	0	32	0	2,186
Non-Rendition Penalty	2004	117,164	4,689	114,873	4,888	114,873	0	34	0	2,257
Non-Rendition Penalty	2003	136,764	2,734	134,090	2,822	134,090	0	39	0	2,635
Non-Rendition Penalty	2002	136,687	4,383	134,015	4,764	134,015	0	39	0	2,633
Non-Rendition Penalty	2001	132,415	1,016	129,826	1,055	129,826	0	38	0	2,551
Non-Rendition Penalty	2000	106,563	497	104,480	532	104,480	0	30	0	2,053
Non-Rendition Penalty	1999	90,604	220	88,833	230	88,833	0	26	0	1,745
Non-Rendition Penalty	1998	75,399	106	73,924	119	73,924	0	22	0	1,453
Non-Rendition Penalty	1997	72,238	50	70,825	56	70,825	0	21	0	1,392
Total Non-Rendition Penalty		1,070,365	111,242	1,049,439	111,610	1,049,439	0	306	0	20,620
County Debt Service	2006	517,619	513,028	513,028	509,187	513,028	0	67	0	4,524
County Debt Service	2005	527,072	18,463	522,398	23,571	522,398	0	69	0	4,605
County Debt Service	2004	428,655	6,035	424,854	5,360	424,854	0	56	0	3,745
County Debt Service	2003	676,447	1,040	670,449	1,764	670,449	0	88	0	5,910
County Debt Service	2002	636,491	1,124	630,847	1,247	630,847	0	83	0	5,561
County Debt Service	2001	600,256	403	594,933	470	594,933	0	78	0	5,245
County Debt Service	2000	610,756	256	605,341	316	605,341	0	79	0	5,336
County Debt Service	1999	616,322	177	610,857	175	610,857	0	80	0	5,385
County Debt Service	1998	624,585	39	619,047	37	619,047	0	81	0	5,457
County Debt Service	1997	647,117	20	641,379	15	641,379	0	84	0	5,654
Total County Debt Service		5,885,320	540,586	5,833,133	542,141	5,833,133	0	765	0	51,422
Administrative Fees	2006	2,732	2,685	2,685	2,689	2,685	0	1	0	46
Administrative Fees	2005	4,337	197	4,268	197	4,268	0	1	0	68
Administrative Fees	2004	5,474	82	5,390	75	5,390	0	1	0	84
Administrative Fees	2003	5,387	57	5,303	54	5,303	0	1	0	83
Administrative Fees	2002	5,116	41	5,036	38	5,036	0	1	0	79
Administrative Fees	2001	5,045	30	4,966	27	4,966	0	1	0	78
Administrative Fees	2000	4,701	9	4,628	5	4,628	0	1	0	72
Administrative Fees	1999	4,107	13	4,043	0	4,043	0	1	0	63
Administrative Fees	1998	3,681	0	3,623	0	3,623	0	1	0	57
Administrative Fees	1997	4,955	0	4,878	0	4,878	0	1	0	76
Total Administrative Fees		45,535	3,114	44,819	3,085	44,819	0	10	0	706

DONA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	Allowance	Undistributed at Year-End	County Receivable at Year-End	
DONA ANA COUNTY (CONTINUED):										
Flood Levy	2006	1,254,526	1,234,904	1,234,904	1,242,706	1,234,904	0	287	0	19,335
Flood Levy	2005	1,106,769	41,547	1,089,458	41,547	1,089,458	0	253	0	17,058
Flood Levy	2004	1,093,051	14,489	1,075,955	14,496	1,075,955	0	250	0	16,846
Flood Levy	2003	1,041,468	2,170	1,025,179	2,170	1,025,179	0	238	0	16,051
Flood Levy	2002	960,052	2,600	945,036	2,783	945,036	0	220	0	14,796
Flood Levy	2001	890,805	561	876,872	530	876,872	0	204	0	13,729
Flood Levy	2000	851,302	316	837,987	307	837,987	0	195	0	13,120
Flood Levy	1999	810,341	102	797,666	132	797,666	0	186	0	12,489
Flood Levy	1998	861,765	63	848,286	71	848,286	0	197	0	13,282
Flood Levy	1997	811,686	40	798,990	44	798,990	0	186	0	12,510
Total Flood Levy		9,681,765	1,296,792	9,530,333	1,304,786	9,530,333	0	2,216	0	149,216
TOTAL DONA ANA COUNTY		192,283,216	27,015,449	188,624,787	27,059,668	188,624,787	0	53,551	0	3,604,878
MUNICIPALITIES:										
City of Las Cruces	2006	8,826,551	8,708,643	8,708,643	8,663,187	8,663,692	0	1,724	44,951	116,184
City of Las Cruces	2005	7,456,231	240,465	7,356,628	331,815	7,350,522	0	1,457	6,106	98,146
City of Las Cruces	2004	6,998,600	74,546	6,905,110	65,397	6,889,609	0	1,367	15,501	92,123
City of Las Cruces	2003	6,327,349	20,352	6,242,826	31,488	6,242,513	0	1,236	313	83,287
City of Las Cruces	2002	5,956,410	4,495	5,876,842	5,409	5,876,769	0	1,164	73	78,404
City of Las Cruces	2001	5,916,319	4,299	5,837,287	5,310	5,837,078	0	1,156	209	77,876
City of Las Cruces	2000	6,084,813	3,082	6,003,620	4,133	6,003,620	0	1,195	0	79,998
City of Las Cruces	1999	5,701,210	2,613	5,625,051	2,613	5,625,051	0	1,114	0	75,045
City of Las Cruces	1998	5,405,816	305	5,333,603	305	5,333,603	0	1,056	0	71,157
City of Las Cruces	1997	5,096,031	145	5,027,957	145	5,027,957	0	995	0	67,079
Total City of Las Cruces		63,769,330	9,058,945	62,917,567	9,109,802	62,850,415	0	12,464	67,152	839,299
Village of Hatch	2006	47,267	46,636	46,636	46,372	46,375	0	9	261	622
Village of Hatch	2005	45,944	3,219	45,330	4,052	45,252	0	9	79	605
Village of Hatch	2004	42,898	868	42,325	716	42,099	0	8	226	565
Village of Hatch	2003	40,040	80	39,505	390	39,505	0	8	0	527
Village of Hatch	2002	37,409	12	36,910	12	36,910	0	7	0	492
Village of Hatch	2001	34,017	12	33,562	12	33,562	0	7	0	448
Village of Hatch	2000	32,219	0	31,789	0	31,789	0	6	0	424
Village of Hatch	1999	31,255	0	30,838	0	30,838	0	6	0	411
Village of Hatch	1998	30,521	0	30,113	0	30,113	0	6	0	402
Village of Hatch	1997	31,056	0	30,641	0	30,641	0	6	0	409
Total Village of Hatch		372,626	50,827	367,649	51,554	367,084	0	72	567	4,905
Town of Mesilla	2006	47,009	46,381	46,381	46,039	46,044	0	9	337	619
Town of Mesilla	2005	43,330	2,995	42,752	3,247	42,740	0	8	13	570
Town of Mesilla	2004	42,143	2,224	41,580	2,220	41,563	0	8	17	555
Town of Mesilla	2003	38,836	6	38,317	32	38,317	0	8	0	511
Town of Mesilla	2002	36,999	32	36,505	32	36,505	0	7	0	487
Town of Mesilla	2001	35,140	36	34,670	36	34,670	0	7	0	463
Town of Mesilla	2000	33,734	47	33,283	47	33,283	0	7	0	444
Town of Mesilla	1999	31,317	54	30,899	54	30,899	0	6	0	412
Town of Mesilla	1998	31,098	30	30,683	30	30,683	0	6	0	409
Town of Mesilla	1997	30,236	0	29,832	0	29,832	0	6	0	398
Total Town of Mesilla		369,842	51,805	364,902	51,737	364,536	0	72	366	4,868

DONA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	Allowance	Undistributed at Year-End	County Receivable at Year-End	
MUNICIPALITIES (CONTINUED):										
City of Sunland Park	2006	320,811	316,525	316,525	311,992	312,006	0	63	4,519	4,223
City of Sunland Park	2005	282,778	12,252	279,001	12,052	276,546	0	55	2,455	3,722
City of Sunland Park	2004	261,227	5,254	257,798	3,294	255,285	0	51	2,513	3,378
City of Sunland Park	2003	247,642	686	244,334	868	244,299	0	48	35	3,260
City of Sunland Park	2002	226,550	303	223,524	256	223,477	0	44	47	2,982
City of Sunland Park	2001	203,924	171	201,200	122	201,152	0	40	48	2,684
City of Sunland Park	2000	189,504	73	186,973	30	186,926	0	37	47	2,494
City of Sunland Park	1999	87,880	35	86,706	-16	86,706	0	17	0	1,157
City of Sunland Park	1998	77,208	-11	76,177	-11	76,177	0	15	0	1,016
City of Sunland Park	1997	73,543	-19	72,660	-19	72,660	0	14	0	869
Total City of Sunland Park		1,971,067	335,269	1,944,898	328,568	1,935,233	0	384	9,665	25,785
TOTAL MUNICIPALITIES		66,482,865	9,496,847	65,595,016	9,541,661	65,517,267	0	12,992	77,750	874,857
SCHOOL DISTRICTS:										
Las Cruces PSD #2	2006	20,255,877	19,985,289	19,985,289	19,872,237	19,873,501	0	3,960	111,788	266,628
Las Cruces PSD #2	2005	17,440,565	557,840	17,207,585	733,938	17,181,370	0	3,410	26,215	229,570
Las Cruces PSD #2	2004	16,474,418	187,830	16,254,344	166,673	16,213,152	0	3,221	41,193	216,853
Las Cruces PSD #2	2003	15,355,369	41,062	15,150,244	69,165	15,149,147	0	3,002	1,097	202,123
Las Cruces PSD #2	2002	15,070,422	11,319	14,869,104	13,142	14,868,803	0	2,946	301	198,372
Las Cruces PSD #2	2001	14,076,757	9,675	13,888,713	11,548	13,888,303	0	2,752	410	185,292
Las Cruces PSD #2	2000	13,334,592	6,025	13,156,462	7,883	13,156,460	0	2,607	2	175,523
Las Cruces PSD #2	1999	12,103,718	4,514	11,942,129	4,528	11,942,129	0	2,366	0	159,223
Las Cruces PSD #2	1998	11,763,761	777	11,606,615	777	11,606,615	0	2,300	0	154,846
Las Cruces PSD #2	1997	10,548,422	283	10,407,511	299	10,407,501	0	2,062	10	138,849
Total Las Cruces PSD #2		146,423,901	20,804,614	144,467,996	20,880,190	144,286,981	0	28,626	181,015	1,927,279
Hatch Valley SD #11	2006	678,230	669,169	669,169	665,379	665,422	0	133	3,747	8,928
Hatch Valley SD #11	2005	644,610	32,890	635,999	39,855	634,910	0	126	1,089	8,485
Hatch Valley SD #11	2004	585,200	8,947	577,383	7,758	575,213	0	114	2,170	7,703
Hatch Valley SD #11	2003	566,085	2,194	558,621	3,224	558,268	0	111	353	7,353
Hatch Valley SD #11	2002	509,997	1,499	503,184	1,386	503,071	0	100	113	6,713
Hatch Valley SD #11	2001	501,826	392	495,221	392	495,221	0	98	0	6,507
Hatch Valley SD #11	2000	457,509	94	451,398	94	451,398	0	89	0	6,022
Hatch Valley SD #11	1999	458,513	0	452,388	0	452,388	0	90	0	6,035
Hatch Valley SD #11	1998	452,944	0	446,893	0	446,893	0	89	0	5,962
Hatch Valley SD #11	1997	395,533	0	390,250	0	390,251	0	77	0	5,206
Total Hatch Valley SD #11		5,250,447	715,185	5,180,506	718,089	5,173,035	0	1,027	7,472	68,914
Gadsden ISD #16	2006	8,690,857	8,574,760	8,574,760	8,446,546	8,447,949	0	1,699	126,811	114,398
Gadsden ISD #16	2005	8,293,225	338,655	8,182,440	398,727	8,159,330	0	1,621	23,110	109,164
Gadsden ISD #16	2004	7,989,734	111,334	7,883,102	103,289	7,854,090	0	1,562	29,012	105,070
Gadsden ISD #16	2003	6,862,002	17,169	6,770,336	30,668	6,769,298	0	1,342	1,038	90,324
Gadsden ISD #16	2002	6,360,088	35,423	6,275,127	38,628	6,274,784	0	1,243	344	83,718
Gadsden ISD #16	2001	6,072,698	3,611	5,991,576	3,831	5,991,301	0	1,187	275	79,935
Gadsden ISD #16	2000	5,651,415	2,608	5,575,920	2,509	5,575,631	0	1,105	289	74,390
Gadsden ISD #16	1999	5,116,523	733	5,048,174	581	5,047,926	0	1,000	248	67,349
Gadsden ISD #16	1998	4,683,871	341	4,621,301	239	4,621,053	0	916	248	61,654
Gadsden ISD #16	1997	4,297,690	321	4,240,280	109	4,240,030	0	840	250	56,570
Total Gadsden ISD #16		64,018,103	9,084,955	63,163,016	9,025,127	62,981,393	0	12,515	181,623	842,572
TOTAL SCHOOL DISTRICTS		215,692,451	30,604,753	212,811,518	30,623,405	212,441,410	0	42,168	370,110	2,838,765

DONA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	Allowance	Undistributed at Year-End	County Receivable at Year-End	
NEW MEXICO STATE TREASURER:										
N.M. State Treasurer	2006	3,496,186	3,449,482	3,449,482	3,424,416	3,424,695	0	684	24,787	46,020
N.M. State Treasurer	2005	2,486,486	98,682	2,453,270	126,034	2,448,162	0	486	5,109	32,730
N.M. State Treasurer	2004	3,399,094	27,200	3,353,785	24,204	3,347,553	0	665	6,232	44,644
N.M. State Treasurer	2003	2,337,109	8,214	2,305,889	14,064	2,305,583	0	457	306	30,763
N.M. State Treasurer	2002	3,453,477	3,829	3,407,443	4,247	3,407,376	0	675	67	45,359
N.M. State Treasurer	2001	2,835,638	2,131	2,797,758	2,488	2,797,658	0	554	100	37,325
N.M. State Treasurer	2000	2,614,592	1,170	2,579,665	1,450	2,579,638	0	511	27	34,416
N.M. State Treasurer	1999	2,282,098	736	2,251,613	725	2,251,591	0	446	22	30,039
N.M. State Treasurer	1998	2,039,066	140	2,011,827	131	2,011,806	0	399	21	26,840
N.M. State Treasurer	1997	2,132,789	64	2,104,298	49	2,104,276	0	417	22	28,074
Total N.M. State Treasurer (Levy & Lvstk)		27,076,535	3,591,648	26,715,030	3,597,808	26,678,339	0	5,294	36,691	356,211
DONA ANA BRANCH										
COMMUNITY COLLEGE:										
NMSU										
DABCC	2006	5,131,390	5,062,843	5,062,843	5,024,805	5,024,803	0	1,003	38,040	67,544
DABCC	2005	4,474,237	154,913	4,414,468	197,900	4,406,333	0	875	8,135	58,894
DABCC	2004	4,213,872	51,029	4,157,672	45,229	4,145,755	0	824	11,917	55,376
DABCC	2003	3,891,368	10,261	3,839,385	17,449	3,838,998	0	761	387	51,222
DABCC	2002	3,702,229	6,596	3,652,773	7,314	3,652,657	0	724	116	48,732
DABCC	2001	3,470,445	2,325	3,424,086	2,706	3,423,975	0	678	111	45,681
DABCC	2000	3,291,865	1,460	3,247,890	1,801	3,247,855	0	644	35	43,331
DABCC	1999	3,011,493	961	2,971,264	945	2,971,234	0	589	30	39,640
DABCC	1998	2,881,660	117	2,843,166	180	2,843,136	0	563	30	37,931
DABCC	1997	2,655,938	94	2,620,457	71	2,620,425	0	521	32	34,960
Total DABCC - NMSU (Oper. & Debt)		36,724,497	5,290,599	36,234,004	5,298,398	36,175,172	0	7,182	58,832	483,311
WATERSHED DISTRICT										
McCleard WD	2006	2,845	2,805	2,805	2,725	2,712	0	2	13	38
McCleard WD	2005	2,819	33	2,780	33	2,814	0	1	0	38
McCleard WD	2004	2,819	13	2,780	0	2,780	0	1	0	38
McCleard WD	2003	2,894	0	2,855	0	2,855	0	1	0	38
McCleard WD	2002	3,322	0	3,276	0	3,276	0	1	0	45
McCleard WD	2001	3,655	0	3,606	0	3,606	0	1	0	48
McCleard WD	2000	3,624	0	3,574	0	3,574	0	1	0	49
McCleard WD	1999	3,446	0	3,399	0	3,399	0	1	0	46
McCleard WD	1998	3,443	0	3,396	0	3,396	0	1	0	46
McCleard WD	1997	3,506	0	3,458	0	3,458	0	1	0	47
Total McCleard WD		32,373	2,851	31,929	2,758	31,870	0	11	13	433
TOTAL NMST, DABCC WATERSHED DISTRICT		63,833,405	8,885,098	62,980,963	8,898,964	62,885,381	0	12,487	95,536	839,955
GRAND TOTALS		\$538,291,937	\$76,002,147	\$530,012,284	\$76,123,699	\$529,468,845	\$0	\$121,198	\$543,396	\$8,158,455

DONA ANA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Participants	Responsible Party for Operations	Descriptions	Beginning and Ending dates	Total Estimated Amount of Project	Contribution June 30, 2007	Audit Responsibility	Revenues and Expenditures Reported on:
Village of Hatch	DAC	DAC to perform building inspections within the city limits of Hatch.	May 25, 1997- Ongoing	Insignificant - absorbed by General Fund	Insignificant - absorbed by General Fund	CLC	DAC
Town of Mesilla	DAC	DAC to perform building inspections within the city limits of Mesilla.	April 3, 1997- Ongoing	Insignificant - absorbed by General Fund	Insignificant - absorbed by General Fund	CLC	DAC
DAC Flood Commissioner	DAC	DAC to provide certain services, personnel and office space.	March 13, 1990- Ongoing	Ongoing project costs vary from year to year		DAC	DAC
Las Cruces, Mesilla, Hatch, NMSU, Sunland Park, Anthony WSD, EBID	LRGWUO	Lower Rio Grande Water Users Organization for coordinated regional water planning.	October 13, 1996- Ongoing	Insignificant - absorbed by General Fund	Insignificant - absorbed by General Fund	CLC	CLC
NM Taxation & Revenue	TRD	Register taxpayers with TRD for gross receipts tax reporting purposes and to assign TRD taxpayer I.D. numbers.	July 15, 2004- Ongoing	Ongoing project costs vary from year to year		TRD	TRD
City of Las Cruces	SCSWA	Established a joint City/County Solid Waste Authority	April 1, 1993- Ongoing	Ongoing project costs vary from year to year		CLC	CLC Component Unit
City of Sunland Park and Dona Ana County	DAC/CSP	Zoning, subdivisions and planning and platting	February 10, 2005- July 31, 2007	Ongoing project costs vary from year to year		DAC	DAC/CLC
City of Las Cruces	MVRDA	Mesilla Valley Regional Dispatch Authority (MVRDA)	June 13, 1995- Ongoing	Ongoing project costs vary from year to year		CLC	CLC

The Notes to Financial Statements are an integral part of these statements.

DONA ANA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Participants	Responsible Party for Operations	Descriptions	Beginning and Ending dates	Total Estimated Amount of Project	Contribution June 30, 2007	Audit Responsibility	Revenues and Expenditures Reported on:
City of Las Cruces	DAC	Established a joint City/County Commission to hear subdivision and zoning matters (Extraterritorial Zoning Commission ETZ)	May 12, 1987- Ongoing	Insignificant - absorbed by General Fund	Insignificant - absorbed by General Fund	DAC	DAC
City of Las Cruces, Dona Ana County and Town of Mesilla		Metropolitan Planning Organization	December 21, 1989- Ongoing			CLC	CLC
City of Las Cruces	CLC	Metro Narcotics	June 13, 1995- Ongoing	Ongoing project costs vary from year to year		CLC	CLC

The Notes to Financial Statements are an integral part of these statements.

ADDITIONAL FEDERAL INFORMATION

DONA ANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Federal Grantor/Program Title	Federal CFDA Number	Project Number	Award Amount	Accrued or (Deferred) Revenue at 6/30/2006	PPA	Receipts	Expenditures	Accrued or (Deferred) Revenue at 6/30/2007
U.S. Dept. of Housing and Urban Development								
Passed through State of NM:								
2002 EDI - Special Project - SNMSF	14.246	B-02-SP-NM-0439	\$1,000,000	\$3,372	\$0	(\$688,083)	\$916,465	\$231,754
Comm. Dev. Block Grants State's Program								
La Union Water System Improvement	14.219	04-C-NR-1-G72	400,000	58,180	69,567	(390,700)	260,103	(2,850)
Direct Funding:								
Public Housing Operating Subsidy	14.850		33,796	0	0	(33,796)	33,796	0
HUD Section 8 Tenant - Based Cluster:								
Section 8 Vouchers	14.871		2,848,248	0	0	(2,848,248)	2,848,248	0
CGP/CFP (2005)	14.872		41,667	0	0	(12,712)	12,712	0
CGP/CFP (2006)	14.872		38,475	0	0	(8,631)	8,741	110
Total U.S. Dept of Housing and Urban Development			\$4,362,186	\$61,552	\$69,567	(\$3,982,170)	\$4,080,065	\$229,014
U.S. Environment Protection Agency (EPA)								
Surveys, Studies, Investigations								
Special Purpose Grants:								
Passed through NADbank:								
South Central WW Facility	66.610	28-52/02	\$12,517,625	(\$290,303)	\$754,992	(\$667,556)	\$0	(\$202,867)
La Union WW Facility	66.610	30-61/02	4,769,444	(385,048)	540,867	(459,291)	303,472	0
			17,287,069	(675,351)	1,295,859	(1,126,847)	303,472	(202,867)
Clean Water State Revolving Loan Fund:								
Passed through NMED:								
Clean Water State Revolving Loan	66.458	143807	5,400,000	1,326,447	(434,871)	(1,107,814)	642,350	426,112
			5,400,000	1,326,447	(434,871)	(1,107,814)	642,350	426,112
Total U.S. Environment Protection Agency			\$22,687,069	\$651,096	\$860,988	(\$2,234,661)	\$945,822	\$223,245
Federal Aviation Administration (FAA)								
Airport Improvement Grant	20.106	3-35-0055-13	\$1,150,000	(\$205,592)	\$205,592	\$0	\$0	\$0
Airport Improvement Grant	20.106	3-35-0055-15	896,437	303,276	(47,603)	(697,744)	467,836	25,765
Airport Improvement Grant	20.106	3-35-0055-15	142,500	94,778	(94,778)	(9,634)	9,634	0
Airport Improvement Grant	20.106	3-35-0055-16	180,000	0	0	(35,074)	35,074	0
Airport Improvement Grant	20.106	3-35-0055-16	283,995	0	0	(90,866)	170,373	79,507
Airport Improvement Grant	20.106	3-35-0055-16	200,555	0	0	(184,517)	186,656	2,139
Airport Improvement Grant	20.106	3-35-0055-17	290,231	0	0	0	23,393	23,393
Total Federal Aviation Administration			\$3,143,718	\$192,462	\$63,211	(\$1,017,835)	\$892,966	\$130,804
Federal Emergency Management Assistance (FEMA)								
State Homeland Security Grant	97.067	2003-MU-T3-0047-CIP	\$390,160	\$0	\$0	(\$352,973)	\$375,363	\$22,390
State Homeland Security Grant	97.067	2003-MU-T3-0047-TR-DACEM	6,319	0	0	(6,319)	6,319	0
State Domestic Preparedness Equipment Support Program	97.004	2004-GE-T4-0005-DONA ANA	820,254	0	0	0	377,940	377,940
State Domestic Preparedness Equipment Support Program	97.004	2005-GE-T6-0012-DONA	1,600,000	53,646	(47,366)	(357,498)	811,940	460,722
Emergency Management Performance Grant	97.042	2006-EM-E6-0015-DONA	110,582	63,811	(415)	(103,983)	47,186	6,599
Emergency Management Performance Grant	97.042	2007-EM-E7-0035 EMPG	63,452	0	0	0	63,452	63,452
Hazardous Materials Training Program	97.020	DOT-2006-HMEXCPL0-10	7,000	0	0	(1,978)	5,151	3,173
Asst to Firefighters - Anthony	97.044	EMW-2005-FG-16482	89,212	0	0	0	75,704	75,704
Asst to Firefighters - Fairacres	97.044	EMW-2005-FG-16728	51,918	0	0	(26,771)	40,722	13,951
Public Assistance Grant	97.036	FEMA-1659-DR-NM	2,563,107	0	0	(1,189,540)	753,054	(436,486)
Total FEMA			\$5,702,004	\$117,457	(\$47,781)	(\$2,039,062)	\$2,556,831	\$587,445

DONA ANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Federal Grantor/Program Title	Federal CFDA Number	Project Number	Award Amount	Accrued or (Deferred) Revenue at 6/30/2006	PPA	Receipts	Expenditures	Accrued or (Deferred) Revenue at 6/30/2007
<u>U.S. Department of Justice</u>								
VOCA Victim Assistance	16.575	2006 VA-GX0042	\$33,450	\$0	\$0	(\$23,997)	\$33,450	\$9,453
VOCA Victim Assistance	16.575	2005 VA-919	34,450	3,486	(307)	(3,179)	0	0
Approving Victim Services to Rural LEA's	16.575	2002VFGXK003	75,000	18,031	(18,031)	0	0	0
Approving Victim Services to Rural LEA's	16.575	2002VFGXK003	60,000	0	1,795	0	51,985	53,780
Local Law Enforcement Block Grant	16.592	2004LBBX1130	25,504	(468)	(11,818)	0	12,286	0
Office of Juvenile Justice & Delin. Prev. (OJJDP):								
Southwest Border Local Assistance Initiative	16.xxx	P.L. 106-553	0	0	0	(771,928)	771,928	0
Total U.S. Dept of Justice			\$228,404	\$21,049	(\$28,361)	(\$799,104)	\$869,649	\$63,233
<u>U.S. Department of Transportation</u>								
Passed through NM State Highway and Transportation Department:								
Operation Buckle Down	20.600	06-OP-RF-031	\$12,100	\$0	\$0	(\$2,985)	\$3,780	\$795
FTE DWI Officer Project	20.600	05-AL-03-031	450,000	91,825	(4,468)	(78,282)	126,552	135,627
Traffic Records Improvement & Development	20.608	06-AL-64-11A	17,795	17,795	0	(17,795)	0	0
Operation DWI	20.600	06-AL-64-031	20,000	0	0	(9,100)	10,540	1,440
STEP GRANT	20.605	06-PT-63-031	15,000	0	1,185	(10,836)	9,651	0
Operation Buckle Down	20.600	07-OP-RF-031	12,082	0	0	(1,760)	7,102	5,342
Operation DWI	20.600	07-AL-64-031	47,856	0	0	(7,552)	18,447	10,895
STEP GRANT	20.605	07-PT-63-031	30,269	0	0	0	23,584	23,584
Total U.S. Department of Transportation			\$605,102	\$109,620	(\$3,283)	(\$128,310)	\$199,856	\$177,683
Total Federal Expenditures			\$36,728,483	\$1,153,236	\$914,341	(\$10,201,142)	\$9,544,989	\$1,411,424

DONA ANA COUNTY
NOTES ON ACCOUNTING POLICIES AND PROCEDURES FOR FEDERAL AWARDS
JUNE 30, 2007

1. Special Revenue Funds – are used to account for resources restricted to or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified projects periods.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.
3. The modified accrual basis of accounting is used for the Governmental Fund Types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when the obligations are expected to be liquidated with expend available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received they are recorded as deferred revenues until earned.
4. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H. Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.



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

Mr. Hector H. Balderas, State Auditor and
The Board of County Commissioners
Dona Ana County
Las Cruces, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the major budget comparisons of Dona Ana County (the "County"), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 14, 2007. We also audited the financial statements of the County's nonmajor governmental funds, nonmajor enterprise funds, the internal service fund, the fiduciary funds and all the budgetary comparisons presented as supplementary information. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting, findings 2007-01 through 2007-06.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Mr. Hector H. Balderas, State Auditor and
The Board of County Commissioners
Dona Ana County
Las Cruces, New Mexico
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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and question costs as item 2007-06 and 2006-05.

Dona Ana County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of County Commissioners, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kriegel/Gray/Shaw & Co., P.C.
Kriegel/Gray/Shaw & Co., P.C.

November 14, 2007

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

Mr. Hector H. Balderas, State Auditor and
The Board of County Commissioners
Dona Ana County
Las Cruces, New Mexico

Compliance

We have audited the compliance of Dona Ana County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Dona Ana County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Dona Ana County's management. Our responsibility is to express an opinion on Dona Ana County's compliance based on our audit.

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

In our opinion, Dona Ana County complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

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

Mr. Hector H. Balderas, State Auditor and
The Board of County Commissioners
Dona Ana County
Las Cruces, New Mexico
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A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of management, the Board of County Commissioners, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.

November 14, 2007

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Auditor's Report issued:

Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ X Yes _____ No

Noncompliance material to financial statements noted?

_____ Yes X No

FEDERAL AWARDS

Internal Control Over Major Programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Type of Auditor's Report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ Yes X No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.106

Airport Improvement Program

97.067

State Homeland Security Grant Program

14.871

Section 8 Housing Cluster

16.xxx

Southwest Border Local Assistance

97.036

Public Assistance Grants

66.458

Capitalization Grants for Clean Water State Revolving Funds

14.246

EDI Special Project – SNMS Fairgrounds

66.610

Surveys, Studies, Investigations, Special Purpose Grant

97.004

State Domestic Preparedness Equipment Support Program

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000

Auditee qualified as low-risk auditee?

_____ Yes X No

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES:

2007-01 Information System Access or Lack of Access Inconsistent With Job Responsibilities

Statement of Condition – Per our review of Information System Access, we noted the following:

- Some individuals in the finance department have system access under payroll, which appears too broad for the job function – “Master Organization”.
- Department heads and/or supervisors do not have appropriate approval access in the computer system for requisitions (Clerk, Treasurer, Detention).

Criteria – Good internal controls in a computerized environment require access controls at appropriate levels to adequately monitor activity as well as limit access to achieve segregation of duties and control departmental budgets/finances.

Cause –

- Individuals given temporary system access in the absence of others; but temporary system access not terminated timely.
- Unknown as to lack of appropriate approval access.

Effect –

- Potential for unauthorized changes/activity in the payroll system.
- Certain departments have not accepted responsibility for their budgets/disbursements due to lack of approval of requisitions. These departments have effectively passed that approval to the finance department.

Recommendation – System access and approval levels for all departments should be reviewed periodically for necessary updates or changes and all departments should be required to approve their department’s requisition prior to submittal to finance.

Management’s Response – The County concurs, and the County Information Systems department has already set a correction action plan in place, and is working to review all access processes within the County

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2007-02 Internal Audit System Not Operating as Designed

Statement of Condition – The internal audit function of the County was designed to provide additional internal controls to the systems of the County through monitoring; but, the audit function has failed to provide additional internal controls due to a lack of an audit plan and a narrow scope (the majority of the internal audit function has focused on isolated issues rather than systems).

Criteria – A key element in internal controls is the continuous monitoring and analysis of systems. Internal audit functions should be implemented as designed and system oriented.

Cause – Audit plan not appropriately developed and implemented. Too much focus on isolated issues.

Effect – The internal audit function has not provided additional monitoring of County systems.

Recommendation – The internal audit function should develop an audit plan for the year addressing risk areas. The plan should also allow for a limited amount of time to address hot line issues as well as isolated issues. The audit plan should be continuously monitored for progress and status.

Management's Response – The County concurs, and is presently in the process of evaluation an RFP soliciting assistance with a risk based assessment and overall internal audit plan. Once awarded the contractor will set up the plan and guide the internal audit committee on system review. Once in place, the County will hire a full-time Internal Auditor to fill the recently vacated position.

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2007-03 Cell Phone Charges/Plans Excessive

Statement of Condition – While testing cell phone bills for purposes of fringe benefits, we noted the following:

- No consistent review of cell phones charges to determine appropriateness of County cost.
- The appearance of significant personal use, although not in excess of minutes, may be a waste or abuse of public money, (i.e., cell phone plan too large).
- Inconsistencies in size of plan approved for a particular position.
- Volunteer firemen have what appears to be an excessively high calling plan for the County needs.

We selected ten vendor payments for cell phone service and reviewed 43 phone numbers. The above items were noted for 15 of the phone numbers reviewed.

Criteria – The Anti-Donation Clause (New Mexico Constitution Article IX, Section 14) prohibits the expenditure of public funds for the direct benefit of an individual absent of a receipt for services or goods. Good internal controls require monitoring of processes or procedures to prevent and detect misuse of public funds as well as waste and abuse.

Cause – Inconsistent monitoring and no County policy as to determination of cell phone plans for various purposes.

Effect – Public funds may have been used for the benefit of an individual, no fringe benefit attached to wages for personal use.

Recommendation – The County should implement a policy for cell phones to document the determination or need for County business by department and position. The policy should also require random review and monitoring of cell phone bills for excessive personal use as well as appropriateness of plan minutes.

Management's Response – The County concurs, and this area is always under review and it has been an on going process for the County. The only limitations have been available staff time and constraints. The policy will be reviewed and any required changes will be implemented.

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2007-04 Personal Use of County Vehicle – Commuting, No County Logo

Statement of Condition – During our testwork for fringe benefits, we noted one individual that drives a County vehicle to and from his/her house for commuting. In addition, the vehicle does not have a County logo.

Criteria – County policy states that all County vehicles are to be checked out for County business and not for commuting.

Cause – Lack of enforcement of County policy for County vehicle use.

Effect – County vehicle is being driven for personal use (at a minimum-commuting). Using the vehicle to commute is a taxable fringe benefit not being reported. The County vehicle is not easily identifiable as County vehicle due to lack of County logo.

Recommendation – All non-safety personnel driving County passenger vehicles (not specifically equipped) should follow County policy for vehicle check out. Fringe benefit rules should be applied when County vehicles are used for commuting.

Management's Response – The County concurs. The County Finance Department was not advised of the change for this one vehicle in a timely manner and the County Policy will be implemented as required.

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2007-05 Apparent Theft – Treasurer’s Office

Statement of Condition – During our audit, an apparent theft occurred in the Treasurer’s Office, which was discovered by the Treasurer’s Office. Approximately \$2,300 was missing from one teller’s work over a period of four months.

Criteria – Good internal controls dictate the use of monitoring to timely detect fraudulent activity.

Cause – Even though the daily teller drawer balanced a review of cash verses checks was not performed.

Effect – Approximately \$2,300 of missing funds.

Recommendation – The review of daily cash deposits with a strict comparison of cash and checks verses total deposits.

Management’s Response – Our internal controls alerted us of the possibility of inappropriate behavior. The Sheriff’s Office was notified and is conducting an investigation. After researching all data, additional control procedures have been implemented. The State Auditor’s Office has been notified.

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR SIGNIFICANT DEFICIENCIES (CONTINUED):

2007-06 Housing Authority Budgets

Statement of Condition – The Housing Authority budgets are not amended, monitored or adopted in accordance with New Mexico State statutes.

Criteria – The Housing Authority is considered to be a department of the County and therefore, the budget provisions as stated in 6-3-1 to 6-3-25 NMSA 1978 apply to the Housing Authority budgets.

Cause – The Housing Authority, although a part of the County, budgets in accordance with HUD requirements, which uses budgets only as a guideline.

Effect – Noncompliance with New Mexico Budgeting Statutes –

- Expenditures exceeded budget – Section 8 Program by \$262,576.
- Expenditures exceeded budget – Casas del Quinto Sol by \$71,335.
- Expenditures exceeded – Home Choice Development by \$131,091.

Recommendation – The County should require the Housing Authority to adopt budgets, monitor and amend those budgets in accordance with New Mexico State Statutes.

Management's Response – The budgets are prepared in accordance with HUD prescribed requirements. We understand this is inconsistent with state budgeting requirements. However, at this time, we will continue to use HUD budgeting procedures.

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT STATUS ON PRIOR YEAR FINDINGS:

06-1 State Reporting

Resolved and not repeated.

06-2 Travel Authorizations

Resolved and not repeated.

06-3 Utilities Department – Billing and Cash Receipts

Resolved and not repeated.

06-4 County Treasurer's Office

Resolved and not repeated.

06-5 Annual Audit Report Filed Late

Repeated with modification.

Statement of Condition – This report was not submitted to the State Auditor by the due date of November 15, 2007. The report was submitted November 26, 2007.

Criteria – The New Mexico State Auditor's Rule specifies that the audit reports for Counties are due in the State Auditor's Office by November 15, 2007.

Cause – The County is currently training staff in key positions, this having been their first audit cycle. In addition, there was a transition to new auditors.

Effect – Certain information pertinent to the audit was not provided timely.

Recommendation – The County should continue its efforts to train staff to ensure timely completion of projects.

Management's Response – Management concurs and we have hired new personnel that will continue to train in County processes.

DONA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

CURRENT YEAR FINDINGS AND QUESTIONED COSTS—
MAJOR FEDERAL AWARD PROGRAM AUDIT:

None.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS—
MAJOR FEDERAL AWARD PROGRAM AUDIT:

06-6 Section 8 Housing Choice – Special Tests and Provisions - Income Targeting Requirement

Resolved and not repeated.

06-07 CDBG/Brownsfield Economic Development Initiative – Financial Reporting

Resolved and not repeated.

DONA ANA COUNTY
EXIT CONFERENCE
JUNE 30, 2007

EXIT CONFERENCE:

The exit conference was held November 14, 2007 and was attended by the following:

From Dona Ana County:

Oscar Vasquez Butler, Dona Ana County Commissioner
Brian D. Haines, CPA, County Manager
Sue Padilla, Assistant County Manager
Lurie Garcia, Finance Supervisor
Raquel Quiroga, Accountant III

From Kriegel/Gray/Shaw & Co., P.C.:

Debbie Gray, CPA, Shareholder

FINANCIAL STATEMENTS PREPARATION

Preparation of financial statements is the responsibility of management. Although, the Dona Ana County's personnel provided significant assistance in the preparation, the statements and related footnotes were prepared by Kriegel/Gray/Shaw & Co., P.C.