

STATE OF NEW MEXICO
EDDY COUNTY

*Basic Financial Statements and
Required Supplementary Information
For the Year Ended June 30, 2008
and Independent Auditors' Report*

**STATE OF NEW MEXICO
EDDY COUNTY
OFFICIAL ROSTER
JUNE 30, 2008**

Janell Whitlock
Guy Lutman
Lewis Derrick
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Jack Volpato, Jr.
Steve Massey
Darlene Rosprim
Emma Salgado
Karen Robinson
Karen Waller
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Chairman
Vice-Chairman
Member
Member
Member
County Manager
County Clerk
County Treasurer
County Assessor
County Sheriff
Probate Judge

**STATE OF NEW MEXICO
EDDY COUNTY**

**ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2008**

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance sheet to the Statement of Net Assets	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual:	
General Fund	17
Loop Road Reserve	18
Construction Fund	19
Statement of Fiduciary Assets and Liabilities - Agency Funds	20
Notes to the Financial Statements	21
Description of Nonmajor Governmental Funds	37

SUPPLEMENTARY INFORMATION

Combining and Individual Funds Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	54
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual:	
Special Revenue Funds	67
Capital Project Funds	141
Debt Service Funds	143
Schedule of Changes in Assets and Liabilities - Agency Funds	147
Schedule of Collateral Pledged by Depository of Public Funds	148
Schedule of Deposits and Investment Accounts	153
Tax Roll Reconciliation - Property Taxes Receivable	155
Tax Roll Reconciliation	156
Property Tax Schedule	157

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	160
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FEDERAL FINANCIAL ASSISTANCE

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133	162
Schedule of Expenditures of Federal Awards	164
Schedule of Findings and Questioned Costs	166
Exit Conference	171



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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas,
New Mexico State Auditor
The Office of Management and Budget and
The Board of Commissioners
Eddy County
Carlsbad, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the fiduciary fund of the Eddy County (the "County"), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, 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, each major fund, the aggregate remaining fund information, and the fiduciary fund of the County, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue and debt service 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 fund of the County as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 14 to the financial statements, the County's government-wide financial statements net assets as of the beginning of the fiscal year 2008 has been adjusted to correct certain errors resulting from the overstatement of financial instruments for previous years.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted 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 conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. 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 financial statements. The additional schedules listed as "Supplementary Information and Supporting Schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Frable & Tractor, LLP

November 13, 2008

**STATE OF NEW MEXICO
EDDY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

This discussion and analysis of the County of Eddy's (County) financial performance provides an overview of the County's financial activities for the fiscal year ending June 30, 2008. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of FY 2008 by \$95,693,511 (net assets) for an increase of 10% over 2007. Of this amount, \$4,124,217 is restricted for specific purposes. As required by GASB 34, net assets also reflect \$52,067,033 that is invested in capital assets net of related debt.
- In contrast to the government wide statements, the fund statements report a combined fund balance at year end of \$45,287,858.
- Eddy County has no General Obligation Bond indebtedness.
- Oil and Gas production and equipment taxes were up to \$13,376,709 for 2008.
- Gasoline and motor vehicle taxes remained flat at \$1,130,264 for 2008.
- Gross Receipts Taxes were down to \$7,645,911 for 2008
- Overall expenditures increased 10%.
- Overall fund balance showed a 16% increase for 2008.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section); the basic financial statements; and other required supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, a section with combining statements provides more details about the County's non-major governmental funds which are added together and presented in a single column in the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used in private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current fiscal year's revenues and expenses are accounted for in the statement of activities regardless of when cash was received or paid.

The two government-wide statements report the County's net assets and how they have changed. Net assets, the difference between the County's assets and liabilities, is one way to measure the County's financial health, or position.

- Over-time, increase or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the health of the County you need to consider additional non-financial factors such as changes in the County's tax base and the condition of the County's roads.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Of the County's total assets of \$100,615,867, the largest components are: (1) cash and cash equivalents of \$42,969,018 or 42%, and (2) capital assets net of accumulated depreciation of \$52,174,406 or 51%.

The County's net assets for fiscal year ended June 30, 2007 and 2008 are summarized as follows:

Governmental Activities		
	<u>2007</u>	<u>2008</u>
Current and other assets	\$ 40,740,071	\$ 48,441,461
Capital assets (net of depreciation)	<u>50,859,574</u>	<u>52,174,406</u>
Total assets	<u>\$ 91,599,645</u>	<u>\$ 100,615,867</u>
Current liabilities	\$ 1,489,515	\$ 2,590,523
Long-term liabilities	<u>2,889,209</u>	<u>2,331,833</u>
Total liabilities	<u>\$ 4,378,724</u>	<u>\$ 4,922,356</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 50,572,509	\$ 52,067,033
Restricted	7,037,791	4,124,217
Unrestricted	<u>29,610,621</u>	<u>39,502,261</u>
Total net assets	<u>\$ 87,220,921</u>	<u>\$ 95,693,511</u>

MAJOR REVENUE FUNDS

(Reflected in thousands of dollars)

<u>Fund</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund	\$ 26,230	\$ 26,559	\$ 29,654
Environmental Services	1,463	1,428	1,606
County Indigent Fund	2,792	2,644	2,899
Protest Suspense Fund	-	1,041	48
Civil Emergency	-	1,565	1,125
Legislative Appropriations	-	1,033	1,556
Fire Excise Tax - Gross Receipts Fund	2,495	2,429	1,229
Capital Improvements Fund	935	974	765

EXPLANATION OF MAJOR REVENUE FUND DIFFERENCES

General Fund - the increase in the general fund revenue from 2007 to 2008 is attributed to an increase in oil and gas taxes.

Environmental Services - The gross receipts revenue has remained relatively flat over the past year

showing a slight decrease from 2007 to 2008. This is due mainly to continued activity in the oil and gas industry.

Indigent Fund - This fund is supported mainly through county wide gross receipts taxes which have remained relatively flat due to continued oil and gas activity.

Fire Excise - The gross receipts revenue has remained relatively flat over the past year showing a slight decrease from 2007 to 2008. This is due mainly to continued activity in the oil and gas industry.

Capital Improvements - The capital improvement revenues have remained relatively flat. The main revenue source for this fund is gross receipts tax.

Protest Suspense Fund - This fund was created in the current year to account for taxes that are being protested. Total tax payments are placed in this fund until the matter has been resolved. When matters have been resolved, funds will revert to either the tax payer or the tax fund.

Civil Emergency Fund - This fund did not receive as much state appropriations as last year.

Legislative Appropriations - This fund received additional amounts from the state in 2008.

**MAJOR REVENUE SOURCES (Cash Basis)
(Reflected in thousands of dollars)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Property Taxes	\$ 6,365	\$ 7,833	\$ 7,302
Oil and Gas Production	10,790	9,701	10,992
Oil and Gas Equipment	1,715	2,105	2,385
Interest on Investments	939	1,479	1,452
PILT	1,919	1,907	1,882
Indigent GRT	2,692	2,625	3,135
Environmental GRT	1,392	1,253	1,529
Fire Excise GRT	2,495	2,507	2,982

EXPLANATION OF MAJOR REVENUE SOURCES

Property Taxes (residential & non residential) - The decrease in property taxes is attributed to a decrease in the Protest Suspense Fund amount collected.

Oil and Gas Production - The increase in Oil and Gas production is attributed to higher crude oil and natural gas prices.

Oil and Gas Equipment - This funding source showed an increase over last year, and is attributed to taxes levied on equipment located in Eddy County at the end of the calendar year.

Interest on Investments - The revenue from investments is relatively flat. All investments are in bank certificates of deposit or the State of New Mexico Investment Pool.

PILT - Payment in Lieu of Taxes is a distribution made by the federal government for Bureau of Land Management properties located in Eddy County.

Indigent, Environmental Services and Fire Excise Gross Receipts Taxes - These taxes have increased due to a related increase in activity in the oil and gas industry.

CASH BALANCES ON JUNE 30,

	2006	2007	2008
	29,309	34,421	42,969

**MAJOR EXPENDITURE FUNDS
(Reflected in thousands of dollars)**

<u>Fund</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund	\$ 19,482	\$ 20,715	\$ 22,724
Environmental Services	700	740	1,318
County Indigent Fund	2,158	2,806	2,973
Legislative Appropriations	-	885	1,288
Construction Fund	-	229	1,340
Fire Excise Tax - Gross Receipts Fund	2,387	2,027	1,583

GENERAL FUND BUDGET VARIANCES

The General Fund budgetary report shows the following significant variances between the final budget and the actual amounts:

There was a positive variance of approximately \$3.7 million in tax revenues due primarily to increased oil and gas activity, and an increase in the property tax.

CAPITAL ASSETS ACTIVITY

A summary of capital assets and changes occurring during the year ended June 30, 2008 follows:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>
Capital assets not being depreciated				
Land	\$ 3,813,997	\$ 10,408	\$ -	\$ 3,824,405
Construction in progress	243,806	2,588,866	-	2,832,672
Total capital assets not being depreciated	<u>4,057,803</u>	<u>2,599,274</u>	<u>-</u>	<u>6,657,077</u>
Capital assets being depreciated				
Landfill	686,696	-	-	686,696
Building and building improvements	24,213,114	-	-	24,213,114
Infrastructure	27,046,929	1,004,962	(62,266)	27,989,625
Equipment and furnishings	<u>23,925,644</u>	<u>1,718,066</u>	<u>(376,815)</u>	<u>25,266,895</u>
Total capital assets being depreciated	<u>75,872,383</u>	<u>2,723,028</u>	<u>(439,081)</u>	<u>78,156,330</u>
Less accumulated depreciation for:				
Buildings and building improvements	7,450,419	691,775	-	8,142,194
Infrastructure	9,643,819	1,087,066	(23,406)	10,707,479
Equipment and furnishings	<u>11,976,374</u>	<u>2,148,811</u>	<u>(335,857)</u>	<u>13,789,328</u>
Total accumulated depreciation	<u>29,070,612</u>	<u>3,927,652</u>	<u>(359,263)</u>	<u>32,639,001</u>
Total capital assets being depreciated, net	<u>46,801,771</u>	<u>(1,204,624)</u>	<u>(79,818)</u>	<u>45,517,329</u>
Government activities capital assets, net	<u>\$ 50,859,574</u>	<u>\$ 1,394,650</u>	<u>\$ (79,818)</u>	<u>\$ 52,174,406</u>

The major activities in capital assets for the year were construction of new fire stations, purchase of fire trucks, and improvements to the roads infrastructure system.

EDDY COUNTY DEMOGRAPHICS

Census Population

1900 - 963 / 1990 - 48,646 / 2000 - 51,658 / 2005 - 51,437 (estimated)

County Classification

Class "B" (pop. < 100,000) "Over" (> \$300,000,000 in valuation)

2002 Valuation \$1,703,172,149 2003 Valuation \$1,737,463,068

Increase of 2%

Land Area

4,182 sq. miles

Property Ownership

60% Federal/20% State/2% Local/18% private

County Road Miles Maintained

1,240

2007 - 2008 Expenditures

\$36,217,405

Municipalities

Carlsbad, Artesia, Loving, Hope

HISTORY AND OPERATION OF EDDY COUNTY NEW MEXICO

Eddy County was established in 1889 when Lincoln County split into Lincoln, Chaves and Eddy Counties. At that time its boundaries went from the Texas State Line to the South, to the Texas State Line to the East. Eddy County is now one of 33 counties in the state of New Mexico and encompasses approximately 4,200 square miles of surface area.

There are four incorporated municipalities within Eddy County: Carlsbad, Artesia, Hope and Loving. There are also numerous rural communities such as Otis, Malaga, Happy Valley, Cottonwood, Atoka and Riverside. There are over 30 rural water cooperatives in Eddy County, none of which are controlled by the County.

The County is headed up by five elected county commissioners, who appoint a county manager to run the day to day affairs of the County. There are also five other elected positions, the Clerk, Treasurer, Assessor, Sheriff and Probate Judge, who are responsible for the statutory duties of their respective offices and act as department heads for those departments.

Eddy County is statutorily responsible for housing various state agencies which include the District Court, District Attorney, Juvenile Probation and Parole Office and two County Health Offices.

Eddy County maintains approximately 275 full time positioned employees, and an additional 24 part-time or temporary employees in 24 departments.

County governments historically receive most of their operating funds through Ad Valorem or "property taxes. Of the 4,200 square miles in Eddy County, only 18% is privately owned and subject to property tax. 22% is controlled by the State and Local Government and about 60% is controlled by federal agencies such as the Bureau of Land Management, Bureau of Reclamation, National Park Service, Department of Energy and the U. S. Forest Service.

The County Road Department maintains approximately 1300 miles of county roads, along with signage and vector control throughout the County.

Eddy County is classified as a Class "B Over" county, which means it has a population of under 100,000 with property values over \$300,000,000. The county's net taxable value for 2002 was \$1.7 billion, which generates about \$4.6 million in revenue for the county. We continue to maintain the lowest mil rate in the state.

Other major sources of revenue include Oil & Gas production taxes, which generated about \$12 million this year, Gross Receipts taxes, which generate about \$8 million, and Payment In Lieu of Taxes (PILT) from the federal government which generated just over \$1.8 million. We also receive gasoline taxes, motor vehicle taxes, state fire funds along with various grants and reimbursements.

Eddy County ran a 2006/2007 general fund budget of approximately \$36.2 million. With special funds such as the Eagle Draw Flood District, 12 Volunteer Fire Departments, DWI and Drug programs and Artesia Motor Vehicle Department, the total operating budget is around \$43.8 million. There are over 90 funds administered by Eddy County.

EDDY COUNTY DEPARTMENTS & SERVICES

COUNTY COMMISSION AND ADMINISTRATION

The County Commission sets the policy by which the county operates through resolutions and ordinances. The Commission serves as the County Finance Board as well as the Indigent Hospital Claims Board. Commissioners are elected by district for four year terms and are limited to two consecutive terms. They appoint a County Manager who oversees the day to day activities of the county, which includes the county budget, human resources, building maintenance, accounts payable and grant programs.

COUNTY ASSESSOR

The Assessor's office is run by the elected County Assessor, whose duties include the proper assessment of all property subject to valuation for taxation purposes within the county.

COUNTY CLERK

The Clerk's office is run by the elected County Clerk, whose duties include acting as ex officio clerk to the County Commission, recording and filing of official documents in the county, keeping historic records of the county, issuing marriage licenses, and is responsible for the partisan election process within Eddy County.

COUNTY SHERIFF

The elected County Sheriff is the principle preserver of the peace in the county. The sheriff and his deputies are empowered to suppress assaults, batteries, apprehend and commit to jail all offenders violating statutes, ordinances and other laws. The sheriff is also responsible for serving and executing all processes, writs and other orders directed to him by the courts. The sheriff also provides for courthouse security.

COUNTY TREASURER

The elected County Treasurer is responsible for the supervision of all county moneys received and

disbursed, regular accounts of all warrants drawn and paid, and serves ex officio as the county tax collector. All fiscal activities with the county must be coordinated through the County Treasurer.

PROBATE JUDGE

The Probate Judge is elected countywide, and is required to hold court in the county seat. This is a part time position of the county, and is elected for four year terms.

ROAD DEPARTMENT

The County Road Department maintains approximately 1300 miles of county roads, along with keeping proper signs on these roads throughout the county. They also operate a vector control department to assist in the control of mosquitoes and other insects in the county.

DETENTION

Both the Adult and Juvenile Detention Centers are operated by the county, under the control of the County Commission. These facilities serve inmates who are awaiting trial, as well as those who have been sentenced for less than 365 days.

EMERGENCY PREPAREDNESS

The Emergency Preparedness office oversees the County Emergency Operations Plan for the entire county. He also provides supervision as the County Fire Marshall for the 12 volunteer departments located throughout the county.

SPECIAL SERVICES

The county also has several special services including our information systems department, Geographic Information System for updated county maps, rural addressing, planning and zoning, DWI programs as well as other special projects and services.

EDDY COUNTY MISSION STATEMENT

EXCELLENCE IN LEADERSHIP QUALITY SERVICE VISION

Eddy County continues to move forward as a leader in county government in New Mexico. As a class "B Over" county, we maintain one of the lowest property tax rates in the state, while maintaining a healthy, fiscally responsible operation.

The County Commission acquired the Eddy County Administration Complex at 101 W. Greene in 1998, showing their dedication to the stability of downtown Carlsbad, while securing land for the future needs of the county.

To avoid closure by the State of New Mexico, Eddy County took over the operation of the Artesia Motor Vehicle Office in 1999 in order to continue this vital service to the citizens of North Eddy County. Eddy County is the only county in New Mexico to operate an MVD field office.

Eddy County strives to work with the local municipalities to bring better services without duplication, where practical. We currently partner with the Cities of Carlsbad and Artesia on our fire and ambulance services as well as operating only one landfill in the county.

The County Commission and Elected Officials of Eddy County thank you for your trust and support as

they serve you during their terms.

PHILOSOPHY

The Eddy County Commission has maintained a philosophy of progressive conservatism. While maintaining a property tax rate of 7.5 out of a possible 11.850, the commission strives to provide the best possible service at the lowest possible tax rate. As a service organization, a major percentage of the budget is dedicated to personnel expenses. Eddy County is constantly burdened with unfunded state and federal mandates, and strives to continue a high level of service with minimal growth in government.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors, with a general overview of the County's finances, and to show the County's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Office of the County Manager, Eddy County Administration Complex, 101 W. Greene, Carlsbad, NM 88220, (575) 887-9511.

**STATE OF NEW MEXICO
EDDY COUNTY**

**STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

ASSETS:

Cash and cash equivalents	\$ 42,969,018
Receivables:	
Taxes	3,188,628
Intergovernmental	766,773
Interest	75,660
Other	287,167
Prepaid assets	322,791
Restricted assets:	
Cash and cash equivalents temporarily restricted for:	
Landfill closure and postclosure	831,424
Capital assets net of accumulated depreciation	<u>52,174,406</u>
Total assets	<u>\$ 100,615,867</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 1,836,054
Accrued expenses	576,308
Noncurrent liabilities:	
Compensated absences:	
Due within one year	161,593
Due after one year	477,353
Loans payable:	
Due within one year	16,568
Due after one year	90,805
Landfill closure, due after one year	<u>1,763,675</u>
Total liabilities	<u>4,922,356</u>

NET ASSETS:

Invested in capital assets, net of related debt	52,067,033
Restricted for:	
Capital projects	4,124,217
Unrestricted	<u>39,502,261</u>
Total net assets	<u>95,693,511</u>
Total liabilities and net assets	<u>\$ 100,615,867</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Service	Operating Grants and Contributions	
Primary Governmental Activities:			Capital Grants and Contributions	Governmental Activities
General government	\$ 13,831,008	\$ 778,671	\$ 1,576,860	\$ (11,475,477)
Public safety	11,912,900	586,189	4,169,069	(7,157,642)
Highways and roads	5,144,949	-	469,705	(4,675,244)
Health and sanitation	4,107,843	143,138	360,846	(3,603,859)
Culture and recreation	422,045	-	183,328	(238,717)
Interest on long-term debt	5,527	-	-	(5,527)
Total governmental activities	35,424,272	1,507,998	6,759,808	(27,156,466)
Total primary government	\$ 35,424,272	\$ 1,507,998	\$ 6,759,808	\$ (27,156,466)
	General Revenues:			
	Property taxes			7,590,010
	Gross receipts taxes			7,645,911
	Oil and gas taxes			13,376,709
	Payment in lieu of taxes			1,881,564
	Motor vehicle and fuel taxes			1,130,264
	Lodger's tax			63,529
	Other			197,342
	Miscellaneous revenue			2,502,263
	Unrestricted investment earnings			1,451,564
	Gain (loss) on disposal of capital assets			(55,905)
	Total general revenues and transfers			35,783,251
	Change in net assets			8,626,785
	Net assets - beginning			87,220,921
	Restatements			(154,195)
	Net assets - beginning, restated			87,066,726
	Net assets - ending			\$ 95,693,511

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**BALANCE SHEET - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>General Fund</u>	<u>Loop Road Reserve</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 9,811,118	\$ 5,000,000	\$ 293,740	\$ 27,864,160	\$ 42,969,018
Receivables:					
Taxes	2,306,522	-	-	882,106	3,188,628
Intergovernmental	225,127	-	-	541,646	766,773
Interest	75,660	-	-	-	75,660
Other	200,115	-	-	87,052	287,167
Prepaid expenses	322,791	-	-	-	322,791
Advances to fire districts	94,026	-	-	-	94,026
Interfund receivable	50,448	-	-	4,045	54,493
Restricted cash and cash equivalents	-	-	-	831,424	831,424
Total assets	<u>\$ 13,085,807</u>	<u>\$ 5,000,000</u>	<u>\$ 293,740</u>	<u>\$ 30,210,433</u>	<u>\$ 48,589,980</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 478,348	\$ -	\$ 395,389	\$ 962,317	\$ 1,836,054
Accrued expenses	513,002	-	-	63,306	576,308
Advances from general fund	-	-	-	35,569	35,569
Interfund payable	-	-	-	112,950	112,950
Deferred revenue	664,000	-	-	77,241	741,241
Total liabilities	<u>1,655,350</u>	<u>-</u>	<u>395,389</u>	<u>1,251,383</u>	<u>3,302,122</u>
Fund balances:					
Reserved for:					
Prepaid expenses	322,791	-	-	-	322,791
Advances to fire districts	94,026	-	-	-	94,026
Landfill closure	-	-	-	831,424	831,424
Unreserved:					
Undesignated, reported in:					
General fund	11,013,640	-	-	-	11,013,640
Special revenue fund	-	5,000,000	-	16,687,479	21,687,479
Capital projects fund	-	-	-	4,124,217	4,124,217
Debt service funds	-	-	(101,649)	7,315,930	7,214,281
Total fund balances	<u>11,430,457</u>	<u>5,000,000</u>	<u>(101,649)</u>	<u>28,959,050</u>	<u>45,287,858</u>
Total liabilities and fund balances	<u>\$ 13,085,807</u>	<u>\$ 5,000,000</u>	<u>\$ 293,740</u>	<u>\$ 30,210,433</u>	<u>\$ 48,589,980</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

Amounts reported for government activities in the statement of net assets are different because:

Fund balances - total governmental funds	\$ 45,287,858
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	52,174,406
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	741,241
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,509,994)</u>
Net assets - Statement of Net Assets	<u>\$ 95,693,511</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>General Fund</u>	<u>Loop Road Reserve</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues:					
Taxes					
Property	\$ 6,782,258	\$ -	\$ -	\$ 519,990	\$ 7,302,248
Gross receipts:	1,831,642	-	38,687	5,775,582	7,645,911
Oil and gas taxes	13,376,709	-	-	-	13,376,709
Gasoline and motor vehicle	1,130,264	-	-	-	1,130,264
Other	197,129	-	-	63,742	260,871
Intergovernmental:					
Federal operating grants	16,000	-	-	2,640,029	2,656,029
State operating grants	2,166,428	-	-	3,822,252	5,988,680
Charges for services	337,101	-	-	127,592	464,693
Licenses and fees	591,997	-	-	451,307	1,043,304
Investment income	1,451,564	-	-	-	1,451,564
Miscellaneous	1,773,310	-	-	728,047	2,501,357
Total revenues	<u>29,654,402</u>	<u>-</u>	<u>38,687</u>	<u>14,128,541</u>	<u>43,821,630</u>
Expenditures:					
Current:					
General government	9,488,922	-	-	2,473,268	11,962,190
Public safety	7,641,009	-	1,339,615	4,552,279	13,532,903
Highways and roads	4,114,574	-	-	46,499	4,161,073
Health and sanitation	83,466	-	-	4,077,897	4,161,363
Culture and recreation	1,395,761	-	-	140,247	1,536,008
Debt service	-	-	-	185,219	185,219
Capital outlay	-	-	-	1,796,682	1,796,682
Total expenditures	<u>22,723,732</u>	<u>-</u>	<u>1,339,615</u>	<u>13,272,091</u>	<u>37,335,438</u>
Excess (deficiency) of revenues over expenditures	<u>6,930,670</u>	<u>-</u>	<u>(1,300,928)</u>	<u>856,450</u>	<u>6,486,192</u>
Other financing sources (uses):					
Operating transfers in (out)	<u>(11,458,358)</u>	<u>2,300,000</u>	<u>932,800</u>	<u>8,225,558</u>	<u>-</u>
Total other financing sources (uses)	<u>(11,458,358)</u>	<u>2,300,000</u>	<u>932,800</u>	<u>8,225,558</u>	<u>-</u>
Net changes in fund balances	<u>(4,527,688)</u>	<u>2,300,000</u>	<u>(368,128)</u>	<u>9,082,008</u>	<u>6,486,192</u>
Fund balance - beginning of year	16,112,340	2,700,000	266,479	19,877,042	38,955,861
Fund balance - restatement	<u>(154,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(154,195)</u>
Fund balance - beginning of year, restated	<u>15,958,145</u>	<u>2,700,000</u>	<u>266,479</u>	<u>19,877,042</u>	<u>38,801,666</u>
Fund balance - end of year	<u>\$ 11,430,457</u>	<u>\$ 5,000,000</u>	<u>\$ (101,649)</u>	<u>\$ 28,959,050</u>	<u>\$ 45,287,858</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Net change in fund balances - total governmental funds	\$ 6,486,192
The changes in net assets reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$5,322,302 exceeded depreciation expense of \$3,927,652 in the current period.	1,394,650
Disposition of capital assets	(79,818)
Property taxes collected during the fiscal year, made available to pay for the current period's expenditures, reported as deferred revenue in the funds in the previous fiscal year.	287,762
Repayment of bond principal is an expenditure in the governmental funds but reduce the liability in the statement of net assets.	179,691
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This is the amount of compensated absences liability and landfill closure liability.	<u>358,308</u>
	<u>\$ 8,626,785</u>
Change in net assets of governmental activities	

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Property	\$ 6,190,000	\$ 6,190,000	\$ 6,782,258	\$ 592,258
Gross receipts	2,000,000	2,000,000	1,831,642	(168,358)
Oil and gas taxes	10,550,000	10,550,000	13,376,709	2,826,709
Gasoline and motor vehicle	1,075,000	1,075,000	1,130,264	55,264
Other	1,654,050	1,654,050	2,078,693	424,643
Intergovernmental:				
Federal operating grants	16,000	16,000	16,000	-
State operating grants	317,150	317,150	284,864	(32,286)
Charges for services	367,100	367,100	337,101	(29,999)
Licenses and fees	612,900	612,900	591,997	(20,903)
Investment income	750,000	750,000	1,451,564	701,564
Miscellaneous	389,304	389,304	1,773,310	1,384,006
Total revenues	23,921,504	23,921,504	29,654,402	5,732,898
Expenditures:				
Current:				
General government	10,457,042	10,402,199	9,488,922	913,277
Public safety	7,944,429	8,124,180	7,641,009	483,171
Highways and roads	3,961,622	3,972,122	4,114,574	(142,452)
Health and sanitation	72,341	79,191	83,466	(4,275)
Culture and recreation	1,632,895	1,432,895	1,395,761	37,134
Total expenditures	24,068,329	24,010,587	22,723,732	1,286,855
Excess (deficiency) of revenues over expenditures	(146,825)	(89,083)	6,930,670	7,019,753
Other financing sources (uses):				
Operating transfers in (out)	(167,466)	(167,466)	(11,458,358)	(11,290,892)
Total other financing sources (uses)	(167,466)	(167,466)	(11,458,358)	(11,290,892)
Net changes in fund balances	(314,291)	(256,549)	(4,527,688)	(4,271,139)
Fund balance - beginning of year	-	-	15,958,145	15,958,145
Fund balance - end of year	\$ (314,291)	\$ (256,549)	\$ 11,430,457	\$ 11,687,006

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**LOOP ROAD RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Operating transfers in out	\$ -	\$ -	\$ 2,300,000	\$ 2,300,000
Total other financing sources (uses)	-	-	2,300,000	2,300,000
Net changes in fund balances	-	-	2,300,000	2,300,000
Fund balance - beginning of year	-	-	2,700,000	2,700,000
Fund balance - end of year	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Gross receipts	\$ -	\$ -	\$ 38,687	\$ 38,687
Total revenues	-	-	38,687	38,687
Expenditures:				
Current:				
Public safety	250,100	932,800	1,339,615	(406,815)
Total expenditures	250,100	932,800	1,339,615	(406,815)
Excess (deficiency) of revenues over expenditures	(250,100)	(932,800)	(1,300,928)	(368,128)
Other financing sources (uses):				
Operating transfers in (out)	32,800	32,800	932,800	900,000
Total other financing sources (uses)	32,800	32,800	932,800	900,000
Net changes in fund balances	(217,300)	(900,000)	(368,128)	531,872
Fund balance - beginning of year	-	-	266,479	266,479
Fund balance - end of year	\$ (217,300)	\$ (900,000)	\$ (101,649)	\$ 798,351

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

ASSETS

Cash and temporary investments	\$ 2,191,195
Receivables:	
Property taxes	1,588,135
Other taxes	<u>1,212,949</u>
Total assets	<u>\$ 4,992,279</u>

LIABILITIES

Due to other taxing units	<u>\$ 4,992,279</u>
Total liabilities	<u>\$ 4,992,279</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eddy County (the "County"), New Mexico was created in 1891 in accordance with Section 40-3-1 NMSA 1978. The powers of the County are exercised by an elected Board of County Commissioners. During general elections in the State of New Mexico, a County Treasurer, County Clerk, Probate Judge, County Sheriff, County Assessor, and County Commissioners are elected. The County is operated by a County Manager who is appointed by the County Commissioners.

The County assesses, collects, and distributes all property taxes, records property and legal documents, provides law enforcement services, health and social services, culture and recreation, tourist promotion and maintains County roads.

This summary of significant accounting policies of the County is presented to assist in the understanding of the County's financial statements. The financial statements and notes are the representation of the County's management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements 14 and 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government wide financial statements to emphasize that it is legally separate from the government.

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. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third 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 government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County has no component units, and is not a component unit of another governmental agency.

B. Basis of Presentation

Government-Wide and Fund Financial Statements—The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support. The County has elected to follow Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989. The County follows all applicable GASB pronouncements and FASB pronouncements issued prior to November 30, 1989, unless they conflict with GASB pronouncements.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements—The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Loop Road Reserve Fund is used to account for monies set aside for the future construction of the loop road bypass.

The Construction Fund is to account for the acquisition or construction of major capital facilities.

Additionally, the government reports the following fund types:

The Fiduciary Funds account for the collection and payment of property taxes and special fees to other governmental agencies.

As a general rule the effect of interfund activity has been eliminated from the government wide financial statements. Exceptions to this general rule are payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments—The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of twelve months or less from the date of acquisition.

State statutes authorize the County to invest in certificates of deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables—Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10 are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

Prepaid Items—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements.

Capital Assets—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental column in the government wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9C(5).

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. However, infrastructure assets are not depreciated. The County has elected to use the modified method in accounting for infrastructure assets. The modified method allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to nor improve the asset. Additions and improvements to infrastructure assets are capitalized. The County uses an asset management system to rate the condition of infrastructure assets and quantify the results of maintenance efforts.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-40
Building Improvements	25-40
Vehicle and equipment	5-15
Computer hardware	5
Software	5-20
Roads	25

Accrued Expenses—Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2008, along with the applicable PERA and Retiree Health Care.

Deferred Revenues—Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues.

Compensated Absences—The County permits county employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the County. Accumulated sick leave benefits vest with each employee in accordance with County policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service by employees.

Long term Obligations—In the government-wide fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Fund Equity—In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets—Net assets of the County are classified in three components. Net assets invested in capital assets net of related debt consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted expendable net assets are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the County, including amounts deposited with trustees as required by revenue bond indentures. Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted.

Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Board of County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over expended; however, it is not legally permissible to over expend any budget in total.

These budgets are prepared on the Non-GAAP budgetary basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

The County is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

Other required individual fund disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds:

Cottonwood Fire District	\$ 995
Otis Fire District	19,591
EMS - Happy Valley	127
Riverside Fire District	4,490
EMS - Malaga	897
EMS - La Huerta	897
EMS - White's City	460
Law Enforcement Traffic Safety Grant	1,154
CDBG Colonias	39,541
Alternate Sentencing	17,015
Civil Emergency	159,682

B. Designated cash appropriations in excess of available balances:

Recreation	\$ 9,354
Atoka Fire District	1,867
Happy Valley Fire District	4,743
Joel Fire District	56,408
La Huerta Fire District	2,053
Otis Fire District	48,422
EMS - Sun Country	637

HIDTA - Metro Agency	580
Region VI Task Force	89,995
Civil Emergency	762,843
Fire Excise - Cottonwood	404,524
Fire Excise - La Huerta	243,974
Fire Excise - Administration	8,578
Fire Excise - Malaga	81,241
White's City Fire District	2,647
EMS - Joel	1,366
Queen Fire District	2,325
Riverside Fire District	765
EMS - Riverside	1,078
EMS - Malaga	459
Fire Excise - Happy Valley	112,923
Fire Excise - Joel	156,669
Fire Excise - Otis	195,686

3. DEPOSITS AND INVESTMENTS

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2008.

Deposits of funds may be made in interest or non interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non demand interest bearing accounts shall be set 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.

Excess, of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. As of June 30, 2008 \$32,969,612 of the County's bank balances of \$33,974,972 were exposed to custodial credit risk as follows:

	<u>Carlsbad National Bank</u>	<u>Artesia National Bank</u>	<u>Western Bank</u>
Year ended June 30, 2008			
Total amount of deposits	\$ 12,111,224	\$ 4,010,112	\$ 3,400,000
FDIC Coverage	<u>(200,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>
Total uninsured public funds	11,911,224	3,810,112	3,300,000
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	<u>8,167,069</u>	<u>2,710,106</u>	<u>1,826,966</u>
Uninsured and uncollateralized	<u>\$ 3,744,155</u>	<u>\$ 1,100,006</u>	<u>\$ 1,473,034</u>

Collateral requirement (50% of uninsured public funds)	\$ 5,955,612	\$ 1,905,056	\$ 1,650,000
Pledged securities	<u>8,167,069</u>	<u>2,710,106</u>	<u>1,826,966</u>
Over (under) collateralization	<u>\$ 2,211,457</u>	<u>\$ 805,050</u>	<u>\$ 176,966</u>

	<u>Pioneer Bank</u>	<u>Western Commerce Bank</u>	<u>Wells Fargo Bank</u>
Year ended June 30, 2008			
Total amount of deposits	\$ 3,400,000	\$ 3,748,276	\$ 3,505,360
FDIC Coverage	<u>(100,000)</u>	<u>(200,000)</u>	<u>(105,360)</u>
Total uninsured public funds	3,300,000	3,548,276	3,400,000
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	<u>1,958,869</u>	<u>2,051,582</u>	<u>2,243,769</u>
Uninsured and uncollateralized	<u>\$ 1,341,131</u>	<u>\$ 1,496,694</u>	<u>\$ 1,156,231</u>

Collateral requirement (50% of uninsured public funds)	\$ 1,650,000	\$ 1,774,138	\$ 1,700,000
Pledged securities	<u>1,958,869</u>	<u>2,051,582</u>	<u>2,243,769</u>
Over (under) collateralization	<u>\$ 308,869</u>	<u>\$ 277,444</u>	<u>\$ 543,769</u>

	<u>First National Bank</u>	<u>Total</u>
Year ended June 30, 2008		
Total amount of deposits	\$ 3,800,000	\$ 33,974,972
FDIC Coverage	<u>(100,000)</u>	<u>(1,005,360)</u>
Total uninsured public funds	3,700,000	32,969,612
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	<u>1,855,453</u>	<u>20,813,814</u>
Uninsured and uncollateralized	<u>\$ 1,844,547</u>	<u>\$ 12,155,798</u>

Collateral requirement (50% of uninsured public funds)	\$ 1,850,000	\$ 16,484,806
Pledged securities	<u>1,855,453</u>	<u>20,813,814</u>
Over (under) collateralization	<u>\$ 5,453</u>	<u>\$ 4,329,008</u>

The collateral pledged is listed on the supplemental schedule of collateral pledged by depositor of public funds on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

Custodial Credit Risk Investments

For an investment, custodial credit risk is the risk that, in the event of the 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 does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be issued to the County for at least one hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution. At June 30, 2008, the County's investment balances were exposed to custodial credit risk as follows:

	New MexiGROW LGIP	Total
Year ended June 30, 2008		
Investment in the State Treasurer's Local Government Investment Pool	\$ 12,000,000	\$ 12,000,000
Total Investments subject to custodial credit risk	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>

Credit and Interest Rate Risk

As of June 30, 2008, the County's investments were rated as follows:

	Rating	Fair Value	Weighted Average Maturity
New MexiGROW LGIP	AAAm	\$ 12,000,000	24-days

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico 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 6-10-10-1 through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, Debt Service and Agency funds are all in multiple accounts. Separate accounts also exist for sheriffs and confiscation related funds.

Reconciliation to the Statement of Net Assets

The carrying amounts of deposits and investments shown above are included in the County's statement of net assets as follows:

Carrying amount	
Deposits	\$ 4,813,469
Investments	41,176,768
Petty Cash	<u>1,400</u>
	<u>\$ 45,991,637</u>
Included in the following Statement of Net Assets captions	
Cash and cash equivalents	\$ 42,969,018
Restricted cash and cash equivalents	<u>831,424</u>
	43,800,442
Agency funds	<u>2,191,195</u>
	<u>\$ 45,991,637</u>

4. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2008, are as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Taxes Receivable:			
Property taxes	\$ 698,408	\$ 81,208	\$ 779,616
State of New Mexico			
Oil and gas taxes	1,285,267	-	1,285,267
Gasoline	126,613	-	126,613
Gross receipts taxes	196,041	786,551	982,592
Other	<u>193</u>	<u>14,347</u>	<u>14,540</u>
	<u>2,306,522</u>	<u>882,106</u>	<u>3,188,628</u>
Intergovernmental:			
Grants	225,127	541,646	766,773
Other:			
Other	129,050	87,052	216,102
State of New Mexico:			
Corrections	<u>71,065</u>	<u>-</u>	<u>71,065</u>
	<u>425,242</u>	<u>628,698</u>	<u>1,053,940</u>
Accrued interest	<u>75,660</u>	<u>-</u>	<u>75,660</u>
	<u>\$ 2,807,424</u>	<u>\$ 1,510,804</u>	<u>\$ 4,318,228</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year deferred revenue which related to delinquent property taxes was \$741,241. There was also \$1,786,180 recorded as revenue for tax payments received under protest which are held in a separate fund until disposition of the protest.

5. **INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

Interfund transfers reflect a temporary transfer of cash due to temporary needs within the fund. The composition of interfund transfers during the year ended June 30, 2008 is as follows:

Transfers In	Transfers Out	Amount
Artesia Motor Vehicle	General Fund	\$ 11,309
Communications Center	General Fund	385,000
Farm and Range	General Fund	4,757
Recreation	General Fund	8,600
Civil Emergency	General Fund	50,000
EMS - Happy Valley	Fire Excise Tax- Gross Receipts	260
General Fund	Protest Suspense Fund	941,571
Law Enforcement Traffic Safety	Courthouse Gross Receipts	19,187
Healthier Services	County Indigent	140,650
Fire Excise Reserve Fund	Fire Excise Tax- Gross Receipts	200,000
Fire Excise - Queen VFD	Fire Excise Tax- Gross Receipts	11,543
Fire Excise - Atoka VFD	Fire Excise Tax- Gross Receipts	11,543
Fire Excise - Cottonwood VFD	Fire Excise Tax- Gross Receipts	450,191
Fire Excise - Happy Valley VFD	Fire Excise Tax- Gross Receipts	124,206
Fire Excise - Joel VFD	Fire Excise Tax- Gross Receipts	172,279
Fire Excise - La Huerta VFD	Fire Excise Tax- Gross Receipts	255,517
Fire Excise - Loco Hills VFD	Fire Excise Tax- Gross Receipts	232,471
Fire Excise - Otis VFD	Fire Excise Tax- Gross Receipts	192,129
Fire Excise - White's City VFD	Fire Excise Tax- Gross Receipts	122,537
Fire Excise - Riverside VFD	Fire Excise Tax- Gross Receipts	302,958
Fire Excise - Administration	Fire Excise Tax- Gross Receipts	135,460
Fire Excise - Loving	Fire Excise Tax- Gross Receipts	160,276
Fire Excise - Hope	Fire Excise Tax- Gross Receipts	50,735
Fire Excise - Sun Country	Fire Excise Tax- Gross Receipts	11,543
Fire Excise - Malaga	Fire Excise Tax- Gross Receipts	151,206
		<u>\$ 4,145,928</u>

The County recorded interfund receivables/payables to reflect a temporary loan between funds. These funds are expected to be paid back within a year:

Due To	Due From	Amount
General Fund	Civil Emergency	\$ 50,448
HIDTA - Grant Metro Agency	Civil Emergency	4,045
		<u>\$ 54,493</u>

The County recorded the following advances between funds which do not bear interest, but are being paid back \$10,000 annually over a period of time greater than one year:

Due To	Due From	Amount
General Fund	Joel Fire District	\$ 47,277
General Fund	Otis Fire District	45,569
General Fund	Happy Valley Fire District	1,180
		<u>\$ 94,026</u>

6. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2008 is as follows:

	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008
Capital assets not being depreciated				
Land	\$ 3,813,997	\$ 10,408	\$ -	\$ 3,824,405
Construction in progress	<u>243,806</u>	<u>2,588,866</u>	<u>-</u>	<u>2,832,672</u>
Total capital assets not being depreciated	<u>4,057,803</u>	<u>2,599,274</u>	<u>-</u>	<u>6,657,077</u>
Capital assets being depreciated				
Landfill	686,696	-	-	686,696
Building and building improvements	24,213,114	-	-	24,213,114
Infrastructure	27,046,929	1,004,962	(62,266)	27,989,625
Equipment and furnishings	<u>23,925,644</u>	<u>1,718,066</u>	<u>(376,815)</u>	<u>25,266,895</u>
Total capital assets being depreciated	<u>75,872,383</u>	<u>2,723,028</u>	<u>(439,081)</u>	<u>78,156,330</u>
Less accumulated depreciation for:				
Buildings and building improvements	7,450,419	691,775	-	8,142,194
Infrastructure	9,643,819	1,087,066	(23,406)	10,707,479
Equipment and furnishings	<u>11,976,374</u>	<u>2,148,811</u>	<u>(335,857)</u>	<u>13,789,328</u>
Total accumulated depreciation	<u>29,070,612</u>	<u>3,927,652</u>	<u>(359,263)</u>	<u>32,639,001</u>
Total capital assets being depreciated, net	<u>46,801,771</u>	<u>(1,204,624)</u>	<u>(79,818)</u>	<u>45,517,329</u>
Government activities capital assets, net	<u>\$ 50,859,574</u>	<u>\$ 1,394,650</u>	<u>\$ (79,818)</u>	<u>\$ 52,174,406</u>

Depreciation expense for the year ended June 30, 2008 was charged to the following functions and funds:

General government	\$ 860,485
Public safety	1,124,831
Highways and roads	1,908,782
Health and sanitation	<u>33,554</u>
	<u>\$ 3,927,652</u>

7. **LONG TERM DEBT**

New Mexico Finance Authority (NMFA) Loans

On September 12, 2003, the County entered into a loan agreement with NMFA to finance the costs of a fire pumper vehicle. The original amount of the loan was \$169,750. The loan bears interest at rates ranging from 3.07% to 3.32% and will mature May 1, 2014. The principal payments are due annually and interest payments are due semi annually and are payable solely from the County's pledged Fire Protection revenues. The County is not aware of any instances of non compliance with the significant requirements of the loan agreement.

Loan debt service requirements to maturity are as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 16,568	\$ 3,850	\$ 20,418
2010	17,084	3,376	20,460
2011	17,673	2,831	20,504
2012	18,336	2,214	20,550
2013	19,068	1,530	20,598
2014	<u>18,644</u>	<u>792</u>	<u>19,436</u>
	<u>\$ 107,373</u>	<u>\$ 14,593</u>	<u>\$ 121,966</u>

Changes in long term liabilities

Long term liability activity for the year ended June 30, 2008, was as follows:

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
NMFA Loans					
September 2003	\$ 123,702	\$ -	\$ 16,329	\$ 107,373	\$ 16,568
February 2004	<u>163,363</u>	<u>-</u>	<u>163,363</u>	<u>-</u>	<u>-</u>
	287,065	-	179,692	107,373	16,568
Compensated absences	662,343	145,734	169,131	638,946	161,593
Landfill closure	<u>2,098,586</u>	<u>-</u>	<u>334,913</u>	<u>1,763,673</u>	<u>-</u>
Total primary government	<u>\$ 3,047,994</u>	<u>\$ 145,734</u>	<u>\$ 683,736</u>	<u>\$ 2,509,992</u>	<u>\$ 178,161</u>

Liabilities for compensated absences are generally liquidated by the fund from which the employee's salaries are paid; the majority of the County's liability has been satisfied by payments from the General Fund

8. **RISK MANAGEMENT**

Eddy County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The Actuarial gains and losses were not available at the date of this report. However, the County is not liable for more than the premiums paid.

The County participates in the New Mexico County Insurance Authority Workers' Compensation Pool. The pool is self insured for workers' compensation claims up to \$300,000. Above that amount, the pool maintains an Excess Employers' Reinsurance Policy.

9. PERA PENSION PLAN

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

Funding Policy. Plan members are required to contribute 15.65% for municipal employees and 16.3% of gross salaries for law enforcement employees. The County is required to contribute 18.5% for law enforcement plan members and 11.65% for all other plan members. The contribution requirements of plan members and Eddy County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ended June 30, 2008, 2007, and 2006 were \$1,208,157, \$1,750,000, and \$1,740,410, respectively, equal to the amount of the required contributions for the years, respectively.

10. POST EMPLOYMENT BENEFITS

The Retiree Health Care Act (the "Act") (Chapter 10, Article 7C, NMSA, 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into Retiree Health Care Fund and by co-payments or out of pocket payments by eligible retirees. Monies flow to the Retiree Health Care Fund on pay as you go basis from eligible employers and eligible retirees.

Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act (ERA), Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act. Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retires before the employer's NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years. Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issued a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, NM 87109.

For the years ended June 30, 2008, 2007, and 2006, the County remitted \$123,015, \$42,500, and \$40,225, respectively, in employer contributions to the Retiree Health Care Authority.

11. CONTINGENT LIABILITIES

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 amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amount, if any, to be immaterial.

The County is involved in various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the County.

12. LANDFILL CLOSURE AND POSTCLOSURE CARE

State and federal laws and regulations require that upon closing, the County of Eddy and the City of Carlsbad place a final cover on their landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after the closure of the landfill. An expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. Based on a joint powers agreement between the County and the City of Carlsbad, the closure and postclosure care costs will be shared at 50% for each governmental agency. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during each year. The total estimated liability for landfill closure costs is \$15,447,127 as of June 30, 2008, which is based on the cumulative capacity of 7,135,000 cubic gate yards of air space to be used over its estimated life of 20 years. It is estimated that an additional \$2,269,500 of postclosure care costs will be recognized over 30 years after the landfill site is closed. The estimated total current cost of the landfill closure and postclosure care of \$17,716,627 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2008. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in state and federal landfill laws and regulations.

The following calculation details the current amount recognized for landfill closure and postclosure care reflected in the County's liabilities:

Estimated landfill closure cost	\$ 15,447,127
Estimated landfill postclosure care cost	<u>2,269,500</u>
 Total estimated closure and postclosure costs	 <u>\$ 17,716,627</u>
 Total capacity used to date (approximately 1,365,001 cubic gate yards)	 19.13%
Estimated closure and postclosure care costs	\$ 3,389,103
Prior liability recognized	<u>4,058,925</u>
Total current year liability	<u>(669,822)</u>
	<u>50%</u>
Eddy County portion	(334,911)
Prior year liability recognized	<u>2,098,586</u>
 Estimated liability for the year ended June 30, 2008	 <u>\$ 1,763,675</u>

13. ACCOUNTING STANDARDS

In June 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets which is effective for financial statements for periods beginning after June 15, 2009. The Statement establishes uniform financial reporting standards for intangible assets. The County incorporated this statement for the current fiscal year, and believes it had no significant effect on the financial statements for the year.

In November 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 52, Land Held as Investments by Endowments, which is effective for financial statements for periods beginning after June 15, 2008, with earlier application encouraged. This Statement establishes standards for the reporting of land and other real estate by endowment. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In June, 2008 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which is effective for all periods beginning after June 15, 2009. The statement is intended to improve how governments report information about derivative instruments. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements on the upcoming year.

14. FUND BALANCE AND NET ASSETS RESTATEMENT

During the year ended June 30, 2008, the County's net assets and fund balance were adjusted to correct certain errors resulting from the overstatement of cash of \$154,195 for previous years.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
EDDY COUNTY**

**NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

SPECIAL REVENUE FUNDS

Farm and Range Fund - To account for soil conservation activities within the County. Financing is provided by the Taylor Grazing Act. (6-11-6 NMSA 1978)

Recreation Fund - To account for the operation, maintenance, and construction of County owned recreational facilities. Financing is provided by cigarette tax and other miscellaneous sources. (7-12-15 NMSA 1978)

Environmental Services Fund - To account for environmental services gross receipts tax to be used to cover expenses associated with landfills, water systems and other environmental services. Authority for creation of this fund is contained in Resolution R-96-31.

County Indigent Special Revenue Fund - To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute Section 7-2OE-9, NMSA 1978 Compilation.

Fire District Funds - To account for the operations and maintenance of the County's fire districts. Financing is provided by allotments from the State of New Mexico and expenditures restricted by Section 59A-53-1 to 53A-53-17 NMSA 1978.

Property Valuation Fund - To account for administrative charges collected from ad valorem levies and used for appraisal as specified in Section 7-38-38.1 NMSA 1978.

Emergency Medical Service Funds - To account for funds used in the establishment, operation, maintenance, training, and licensing of local emergency medical services components in order to reduce injury and loss of life, pursuant to the Emergency Medical Services Fund Act, Section 24-10A-1 to 24-10A-10 NMSA 1978.

HIDTA Grant - Metro Agency - To account for federal grant funds used to maintain intelligence files, carry out narcotic investigations and multi jurisdictional investigations, pursuant to the authority of the Anti Drug Abuse Act of 1988, Public Law 100-690, Title VI, Subtitle C.

GIS Grant - To account for the funds utilized in the creation of an emergency mapping system. The authority for creation of this Special Revenue Fund is contained in commission resolution number R-99-29.

County Clerk Recording and Filing - To account for funds received from charges for County services used to maintain Clerk equipment pursuant to the authority of Section 4-8-16F NMSA 1978.

Treasurer's Collection Fund - To account for Eddy County Treasurer's Department collection of funds obtained by demand warrants and insufficient fund collections. Authority for creation of this fund is contained in resolution R-02-07.

Healthier Services Fund - To account for excess revenues produced by the imposition of the increments in excess of the first one eighth (1/8) gross receipts tax increment diverted in accordance with NMSA 1978 Section 7A-9(E) for general health services. Authority for creation of this fund is contained in agreement A-96-29.

Protest Suspense Fund - This fund is used to account for any tax payments received under protest. This money is invested in a segregated account and will be disbursed upon resolution of the protest, either as a refund to the taxpayer, or to the general fund as tax revenue.

Artesia Motor Vehicle Fund - To account for state funds used to operate the Artesia Motor Vehicle Office. Authority for creation of this fund is contained in resolution R-99-53.

Law Enforcement Protection Act Fund - To account for a state grant restricted to training and equipment purchases for use in law enforcement. (29-13-1 NMSA 1978).

Correction Fees Fund - To account for special fees received on citations and used to pay for prisoners board as specified in Section 33-3-25 NMSA 1978.

Law Enforcement Traffic Safety Fund - To account for a state grant restricted to training and equipment purchases for use in traffic safety law enforcement.

Detention Fees Fund - To account for revenues received from inmate telephone calls and commissary services which are reinvested in jail and law enforcement items and inmate recreational supplies. The authority for creation of this fund is contained in agreement A-93-94.

Health Office Reserve Fund - This fund is used to account for monies set aside for the future health office facility.

CDBG Colonias Fund - To account for funds used to develop viable urban communities, decent housing and a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income, pursuant to the authority of Title I of the Housing and Community Development Act of 1974 (Public Law 93-383).

E911 Addressing Program Fund - To account for grant funds to implement an emergency addressing system pursuant to New Mexico grant number 98-A-1-G-46.

COPS Grant - To offset the cost of a temporary employee in the Drug Task Force. This special federal fund grant is awarded to provide intervention on local "Meth Labs". Authority for creation of this fund is contained in R-02-60.

Alternate Sentencing - To account for funds received for the Eddy County Detention Center Lifeline Intervention Program.

Loop Road Reserve Fund - This fund is used to account for monies set aside for the future construction of the loop road bypass.

Lodger's Tax Fund - To account for lodgers tax revenues restricted to the promotion of rural areas within the County as specified in Section 3-38-14 to 3-38-24 NMSA 1978.

Eddy County DWI Fund - To account for State of New Mexico grant funds used to provide DWI and alcohol rehabilitation. Program assets include DWI prevention, law enforcement and deterrence, screening and assessment, and treatment. Authority for creation of this fund is contained in agreement A-94-24 (State project #93 D-1-G-16).

Traffic Safety Fund - To account for state grants used to develop and implement training programs related to traffic safety pursuant to New Mexico grant 25-CD-95-31.

Maternal and Child Health Fund - To account for the County's health planning process. The allocation for this process has historically been from the New Mexico Department of Health and distributed on a reimbursement basis. Authority for creation of this fund is contained in R-03-61.

Local Law Enforcement Block Grant Fund - To pay for special schools and training, along with travel for special events such as red ribbon campaigns. Authority for creation of this fund is contained in R-02-56.

Region VI Task Force Fund - To account for activities related to drug task force law enforcement in the Region VI area.

Pecos Valley Drug Task Force Fund - To account for quasi organizational confiscation and seizure funds obtained through laws enforcement activities between Eddy County Sheriffs Department, City of Carlsbad and Artesia Police Departments. Authority for creation of this fund is contained in resolution 97-17.

Sheriff's Special - Confiscation and Seizure Fund to account for Eddy County Sheriffs Department Confiscation and Seizure funds obtained through law enforcement activities. Authority for creation of this fund is contained in resolution R-63.

Artesia Eagle Draw Fund - To account for taxes levied and collected to construct and maintain dikes, dams, embankments, ditches or such other structures or excavations necessary to prevent flood waters from damaging property or endangering human life. Authority for creation of this fund is contained in agreement A-96-29.

Cottonwood Special Revenue Fund - To account for Fire Excise Revenue for the volunteer fire department.

Fire Excise Tax Funds - To account for fire excise tax revenue for the volunteer fire departments.

Otis Special Revenue Fund - To account for Fire Excise Revenue for the volunteer fire department.

CAPITAL PROJECTS FUND

Jail Expansion Reserve Special Revenue Fund - Used to account for financial resources reserved for the future expansion of jail facilities.

Legislative Appropriations Special Revenue Fund - Used to track the various grants received from state legislature on an annual basis, rather than track the grants through the general fund under the county commission, as done previously. Authority for creation of this fund is contained in R-02-37.

Communication Center Special Revenue Fund - To account for reimbursements from the City of Artesia who is a partner with the Joint Communication Center or PSAP approved and mandated by the New Mexico Department of Finance and Administration.

DEBT SERVICE FUNDS

Courthouse Gross Receipts Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long term debt principal, interest and related costs specifically for the remodel of the Courthouse. The fund's source of revenue is a one quarter of one percent of the gross receipts tax approved by the citizens of Eddy County for loan repayment.

NMFA Intercept Agreement Fund - To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs specifically the purchase of a fire pumper vehicle. This fund's source of revenue is from the Fire Protection Fund Distribution.

Fire Excise Gross Receipts Fund - This fund is used to account for financial resources to be used for acquiring, enlarging, bettering, repairing, improving, constructing, purchasing, furnishing, equipping, or rehabilitating any Eddy County independent fire district project or facility.

Capital Improvements Fund - This fund is used to account for financial resources designated for acquisition of equipment and furnishings.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

Special Revenue Funds									
ASSETS	Farm and Range	Recreation	Environmental Services	County Indigent	Atoka Fire District	Cottonwood Fire District	Happy Valley Fire District		
Cash and cash equivalents	\$ 1,352	\$ 31,977	\$ 1,528,417	\$ -	\$ 196,757	\$ 1,130	\$ 15,514		
Receivables:									
Taxes	-	27	104,015	265,657	-	-	-		
Intergovernmental	-	-	-	-	-	-	-		
Other	-	-	43,846	1,000	-	-	75		
Interfund receivable	-	-	-	-	-	-	-		
Restricted cash and cash equivalents	-	-	831,424	-	-	-	-		
Total assets	\$ 1,352	\$ 32,004	\$ 2,507,702	\$ 266,657	\$ 196,757	\$ 1,130	\$ 15,589		
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ 72	\$ 61,866	\$ 23,024	\$ 7,325	\$ 2,125	\$ 5,688		
Accrued expenses	-	-	12,789	-	-	-	-		
Advances from general fund	-	-	-	-	-	-	-		
Interfund payable	-	-	-	-	-	-	1,180		
Deferred revenue	-	-	-	-	-	-	-		
Total liabilities	-	72	74,655	23,024	7,325	2,125	6,868		
Fund balances:									
Reserved for:									
Landfill closure	-	-	831,424	-	-	-	-		
Unreserved:									
Undesignated, reported in:									
Special revenue fund	1,352	31,932	1,601,623	243,633	189,432	(995)	8,721		
Capital projects fund	-	-	-	-	-	-	-		
Debt service funds	-	-	-	-	-	-	-		
Total fund balances	1,352	31,932	2,433,047	243,633	189,432	(995)	8,721		
Total liabilities and fund balances	\$ 1,352	\$ 32,004	\$ 2,507,702	\$ 266,657	\$ 196,757	\$ 1,130	\$ 15,589		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

Special Revenue Funds							
ASSETS	Joel Fire District	La Huerta Fire District	Loco Hills Fire District	Otis Fire District	White's City Fire District	Property Valuation	EMS - Atoka
Cash and cash equivalents:	\$ 99,598	\$ 51,784	\$ 11,313	\$ 82,510	\$ 87,791	\$ 356,185	\$ 1,287
Receivables:							
Taxes	-	-	-	-	-	14,473	-
Intergovernmental	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	\$ 99,598	\$ 51,784	\$ 11,313	\$ 82,510	\$ 87,791	\$ 370,658	\$ 1,287
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 18,433	\$ 10,122	\$ 373	\$ 56,532	\$ 1,204	\$ 3,329	\$ -
Accrued expenses	-	-	-	-	-	-	-
Advances from general fund	-	-	-	35,569	-	-	-
Interfund payable	47,276	-	-	10,000	-	-	-
Deferred revenue	-	-	-	-	-	11,669	-
Total liabilities	\$ 65,709	\$ 10,122	\$ 373	\$ 102,101	\$ 1,204	\$ 14,998	\$ -
Fund balances:							
Reserved for:							
Landfill closure	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue fund	33,889	41,662	10,940	(19,591)	86,587	355,660	1,287
Capital projects fund	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-
Total fund balances	33,889	41,662	10,940	(19,591)	86,587	355,660	1,287
Total liabilities and fund balances	\$ 99,598	\$ 51,784	\$ 11,313	\$ 82,510	\$ 87,791	\$ 370,658	\$ 1,287

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

Special Revenue Funds							
ASSETS	EMS - Loco Hills	EMS - Happy Valley	EMS - Joel	Sun City Fire District	Queen Fire District	Riverside Fire District	EMS - Queen
Cash and cash equivalents:	\$ 2,347	\$ -	\$ 1,540	\$ 143,532	\$ 70,158	\$ -	\$ 2,483
Receivables:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Other	-	-	-	375	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	\$ 2,347	\$ -	\$ 1,540	\$ 143,907	\$ 70,158	\$ -	\$ 2,483
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	\$ 127	-	\$ 2,059	\$ 1,553	\$ 4,490	\$ -
Accrued expenses	-	-	-	-	-	-	-
Advances from general fund	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	127	-	2,059	1,553	4,490	-
Fund balances:							
Reserved for:							
Landfill closure	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue fund	2,347	(127)	1,540	141,848	68,605	(4,490)	2,483
Capital projects fund	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-
Total fund balances	2,347	(127)	1,540	141,848	68,605	(4,490)	2,483
Total liabilities and fund balances	\$ 2,347	\$ -	\$ 1,540	\$ 143,907	\$ 70,158	\$ -	\$ 2,483

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

Special Revenue Funds

ASSETS	Special Revenue Funds						County Clerk Recording and Filing
	EMS - Sun Country	HIDTA-Grant Metro Agency	EMS - Riverside	EMS - Cottonwood	EMS - Otis	GIS Grant	
Cash and cash equivalents:							
Receivables:							
Taxes	-	-	-	-	-	481,384	259,009
Intergovernmental	-	16,445	-	-	-	919	-
Other	-	-	-	-	-	-	-
Interfund receivable	-	4,045	-	-	-	-	8,928
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	\$ -	\$ 80,609	\$ 4,371	\$ 29,957	\$ 7,762	\$ 482,303	\$ 267,937
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 12,902	\$ -	\$ -	\$ 675	\$ -	\$ 4,665
Accrued expenses	-	6,737	-	-	-	-	-
Advances from general fund	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	\$ 19,639	-	-	\$ 675	-	\$ 4,665
Fund balances:							
Reserved for:							
Landfill closure	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue fund	-	-	-	-	-	-	-
Capital projects fund	-	60,970	4,371	29,957	7,087	482,303	263,272
Debt service funds	-	-	-	-	-	-	-
Total fund balances	-	\$ 60,970	\$ 4,371	\$ 29,957	\$ 7,087	\$ 482,303	\$ 263,272
Total liabilities and fund balances	\$ -	\$ 80,609	\$ 4,371	\$ 29,957	\$ 7,762	\$ 482,303	\$ 267,937

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

Special Revenue Funds

ASSETS	EMS - White's City	Law Enforcement Protection Act	Correction Fees	Law Enforcement Traffic Safety Grant	Detention Fees	Health Office Reserve	CDBG Colonias
Cash and cash equivalents	\$ -	\$ 2	\$ 286,499	\$ -	\$ 267,101	\$ 1,355,000	\$ (99,453)
Receivables:							
Taxes	-	-	-	-	1,723	-	-
Intergovernmental	-	47,000	-	-	-	-	59,912
Other	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	\$ -	\$ 47,002	\$ 286,499	\$ -	\$ 268,824	\$ 1,355,000	\$ (39,541)
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 460	\$ -	\$ -	\$ 1,154	\$ 1,810	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Advances from general fund	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	\$ 460	\$ -	\$ -	\$ 1,154	\$ 1,810	\$ -	\$ -
Fund balances:							
Reserved for:							
Landfill closure	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue fund	(460)	47,002	286,499	(1,154)	267,014	1,355,000	(39,541)
Capital projects fund	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-
Total fund balances	\$ (460)	\$ 47,002	\$ 286,499	\$ (1,154)	\$ 267,014	\$ 1,355,000	\$ (39,541)
Total liabilities and fund balances	\$ -	\$ 47,002	\$ 286,499	\$ -	\$ 268,824	\$ 1,355,000	\$ (39,541)

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

Special Revenue Funds									
ASSETS	E-911 Addressing Program	COPS Grant	Alternate Sentencing	Lodger's Tax	Eddy County DWI Fund	Traffic Safety Fund	Maternal and Child Health		
Cash and cash equivalents:	79	\$ -	\$ 25,420	\$ 57,363	\$ 25,516	\$ 42,303	\$ -		
Receivables:									
Taxes	-	-	-	11,678	-	-	-		
Intergovernmental	-	-	-	-	-	-	6,883		
Other	-	-	-	-	3,110	5,550	-		
Interfund receivable	-	-	-	-	-	-	-		
Restricted cash and cash equivalents	-	-	-	-	-	-	-		
Total assets	79	\$ -	\$ 25,420	\$ 69,041	\$ 28,626	\$ 47,853	\$ 41,610		
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	-	\$ -	\$ 42,435	\$ 1,744	\$ 875	\$ 26	\$ 1,874		
Accrued expenses	-	-	-	-	1,128	-	2,170		
Advances from general fund	-	-	-	-	-	-	-		
Interfund payable	-	-	-	-	-	-	-		
Deferred revenue	-	-	-	-	-	-	-		
Total liabilities	-	-	\$ 42,435	\$ 1,744	\$ 2,003	\$ 26	\$ 4,044		
Fund balances:									
Reserved for:									
Landfill closure	-	-	-	-	-	-	-		
Unreserved:									
Undesignated, reported in:									
Special revenue fund	79	-	(17,015)	67,297	26,623	47,827	37,566		
Capital projects fund	-	-	-	-	-	-	-		
Debt service funds	-	-	-	-	-	-	-		
Total fund balances	79	-	(17,015)	\$ 67,297	\$ 26,623	\$ 47,827	\$ 37,566		
Total liabilities and fund balances	79	\$ -	\$ 25,420	\$ 69,041	\$ 28,626	\$ 47,853	\$ 41,610		

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

		Special Revenue Funds						
ASSETS	Local Law Enforcement Block Grant	Region VI Task Force	Pecos Valley Drug Task Force	Sheriff's Special	Artesia Eagle Draw	Fire Excise Reserve Fund	Fire Excise - Queen VFD	
Cash and cash equivalents:	\$ 24,495	\$ 96,007	\$ 161,505	\$ 6,106	\$ 725,982	\$ 200,000	\$ 68,307	
Receivables:								
Taxes	-	-	-	-	66,735	-	6,273	
Intergovernmental	-	23,591	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Interfund receivable	-	-	-	-	-	-	-	
Restricted cash and cash equivalents	-	-	-	-	-	-	-	
Total assets	\$ 24,495	\$ 119,598	\$ 161,505	\$ 6,106	\$ 792,717	\$ 200,000	\$ 74,580	
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 8,072	\$ -	\$ -	\$ 22,044	\$ -	\$ -	
Accrued expenses	-	-	-	-	-	-	-	
Advances from general fund	-	-	-	-	-	-	-	
Interfund payable	-	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	65,572	-	-	
Total liabilities	-	8,072	-	-	87,616	-	-	
Fund balances:								
Reserved for:								
Landfill closure	-	-	-	-	-	-	-	
Unreserved:								
Undesignated, reported in:								
Special revenue fund	24,495	111,526	161,505	6,106	705,101	200,000	74,580	
Capital projects fund	-	-	-	-	-	-	-	
Debt service funds	-	-	-	-	-	-	-	
Total fund balances	24,495	111,526	161,505	6,106	705,101	200,000	74,580	
Total liabilities and fund balances	\$ 24,495	\$ 119,598	\$ 161,505	\$ 6,106	\$ 792,717	\$ 200,000	\$ 74,580	

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds						
ASSETS	Fire Excise - Atoka VFD	Cottonwood	Fire Excise - Happy Valley	Fire Excise - Joel VFD	Fire Excise - La Huerta VFD	Fire Excise - Loco Hills VFD	Otis
Cash and cash equivalents:	\$ 68,307	\$ 443,831	\$ 145,004	\$ 174,304	\$ 96,471	\$ 270,266	\$ 228,476
Receivables:							
Taxes	6,273	6,273	6,273	6,273	6,273	6,273	6,273
Intergovernmental	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	\$ 74,580	\$ 450,104	\$ 151,277	\$ 180,577	\$ 102,744	\$ 276,539	\$ 234,749
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 73,747	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Advances from general fund	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	73,747	-	-	-	-	-
Fund balances:							
Reserved for:							
Landfill closure	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue fund	74,580	376,357	151,277	180,577	102,744	276,539	234,749
Capital projects fund	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-
Total fund balances	74,580	376,357	151,277	180,577	102,744	276,539	234,749
Total liabilities and fund balances	\$ 74,580	\$ 450,104	\$ 151,277	\$ 180,577	\$ 102,744	\$ 276,539	\$ 234,749

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	White's City	Riverside	Administration	Loving	Hope	Sun Country	Malaga
ASSETS							
Cash and cash equivalents:	\$ 175,370	\$ 350,683	\$ 114,897	\$ 185,614	\$ 61,179	\$ 68,307	\$ 71,472
Receivables:							
Taxes	6,273	6,273	4,161	3,136	3,136	6,273	6,273
Intergovernmental	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	\$ 181,643	\$ 356,956	\$ 119,058	\$ 188,750	\$ 64,315	\$ 74,580	\$ 77,745
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 54	\$ -	\$ 657	\$ -	\$ -	\$ -	\$ 19,323
Accrued expenses	-	-	-	-	-	-	-
Advances from general fund	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	\$ 54	\$ -	\$ 657	\$ -	\$ -	\$ -	\$ 19,323
Fund balances:							
Reserved for:							
Landfill closure	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue fund	181,589	356,956	118,401	188,750	64,315	74,580	58,422
Capital projects fund	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-
Total fund balances	\$ 181,589	\$ 356,956	\$ 118,401	\$ 188,750	\$ 64,315	\$ 74,580	\$ 58,422
Total liabilities and fund balances	\$ 181,643	\$ 356,956	\$ 119,058	\$ 188,750	\$ 64,315	\$ 74,580	\$ 77,745

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

ASSETS	Special Revenue Funds			Total
	Carlsbad Transfer Station Reserve	Other Transfer Station Reserve	Civil Emergency	
Cash and cash equivalents:	\$ 1,000,000	\$ 4,450,000	\$ (89,378)	\$ 16,562,493
Receivables:				
Taxes	-	-	-	550,936
Intergovernmental	-	-	5,000	161,831
Other	-	-	-	87,052
Interfund receivable	-	-	-	4,045
Restricted cash and cash equivalents	-	-	-	831,424
Total assets	\$ 1,000,000	\$ 4,450,000	\$ (84,378)	\$ 18,197,781
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 7,075	\$ 405,592
Accrued expenses	-	-	13,735	47,526
Advances from general fund	-	-	-	35,569
Interfund payable	-	-	54,494	112,950
Deferred revenue	-	-	-	77,241
Total liabilities	-	-	75,304	678,878
Fund balances:				
Reserved for:				
Landfill closure	-	-	-	831,424
Unreserved:				
Undesignated, reported in:				
Special revenue fund	1,000,000	4,450,000	(159,682)	16,687,479
Capital projects fund	-	-	-	-
Debt service funds	-	-	-	-
Total fund balances	1,000,000	4,450,000	(159,682)	17,518,903
Total liabilities and fund balances	\$ 1,000,000	\$ 4,450,000	\$ (84,378)	\$ 18,197,781

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Capital Project Funds</u>			
ASSETS	Jail Expansion Reserve	Legislative Appropriations	Communicati ons Center	Total
Cash and cash equivalents:	\$ 4,000,000	\$ (105,499)	\$ 99,987	\$ 3,994,488
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	379,815	-	379,815
Other	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	\$ 4,000,000	\$ 274,316	\$ 99,987	\$ 4,374,303
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 232,044	\$ 2,262	\$ 234,306
Accrued expenses	-	-	15,780	15,780
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	232,044	18,042	250,086
Fund balances:				
Reserved for:				
Landfill closure	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	-	-	-	-
Capital projects fund	4,000,000	42,272	81,945	4,124,217
Debt service funds	-	-	-	-
Total fund balances	4,000,000	42,272	81,945	4,124,217
Total liabilities and fund balances	\$ 4,000,000	\$ 274,316	\$ 99,987	\$ 4,374,303

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

ASSETS	Debt Service Funds						Grand Total
	Courthouse Gross Receipts	NMFA Intercept Fund	Fire Excise Tax - Gross Receipts	Capital Improvements	Total	Total	
Cash and cash equivalents:	\$ 1,003,265	\$ -	\$ 2,409,557	\$ 3,894,357	\$ 7,307,179	\$ 27,864,160	
Receivables:							
Taxes	-	-	122,322	208,848	331,170	882,106	
Intergovernmental	-	-	-	-	-	541,646	
Other	-	-	-	-	-	87,052	
Interfund receivable	-	-	-	-	-	4,045	
Restricted cash and cash equivalents	-	-	-	-	-	831,424	
Total assets	\$ 1,003,265	\$ -	\$ 2,531,879	\$ 4,103,205	\$ 7,638,349	\$ 30,210,433	
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 299,330	\$ 23,089	\$ 322,419	\$ 962,317	
Accrued expenses	-	-	-	-	-	63,306	
Advances from general fund	-	-	-	-	-	35,569	
Interfund payable	-	-	-	-	-	112,950	
Deferred revenue	-	-	-	-	-	77,241	
Total liabilities	-	-	299,330	23,089	322,419	1,251,383	
Fund balances							
Reserved for:							
Landfill closure	-	-	-	-	-	831,424	
Unreserved:							
Undesignated, reported in:							
Special revenue fund	-	-	-	-	-	-	
Capital projects fund	-	-	-	-	-	16,687,479	
Debt service funds	1,003,265	-	2,232,549	4,080,116	7,315,930	4,124,217	
Total fund balances	1,003,265	-	2,232,549	4,080,116	7,315,930	28,959,050	
Total liabilities and fund balances	\$ 1,003,265	\$ -	\$ 2,531,879	\$ 4,103,205	\$ 7,638,349	\$ 30,210,433	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	Farm and Range	Recreation	Environmental Services	County Indigent	Atoka District	Cottonwood Fire District	Happy Valley Fire District
Revenues:							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts:							
Gasoline and motor vehicle	-	-	1,179,912	2,597,409	-	-	-
Other	-	213	-	-	-	-	-
Intergovernmental:							
Federal operating grants	-	-	-	-	-	-	-
State operating grants	31,348	-	173,709	35,209	130,876	130,876	19,658
Charges for services	-	-	-	-	-	-	-
Licenses and fees	-	-	252,618	-	-	-	-
Miscellaneous	-	-	-	266,440	18	530	74,309
Total revenues	<u>31,348</u>	<u>213</u>	<u>1,606,239</u>	<u>2,899,058</u>	<u>130,894</u>	<u>131,406</u>	<u>93,967</u>
Expenditures:							
Current:							
General government	-	-	508,472	-	-	98,572	-
Public safety	-	-	-	-	69,077	-	109,478
Highways and roads	46,499	-	-	-	-	-	-
Health and sanitation	-	-	809,728	2,973,090	-	-	-
Culture and recreation	-	66,636	-	-	-	-	-
Debt service	-	-	-	-	-	-	19,661
Capital outlay	-	-	-	-	-	335,284	-
Total expenditures	<u>46,499</u>	<u>66,636</u>	<u>1,318,200</u>	<u>2,973,090</u>	<u>69,077</u>	<u>433,856</u>	<u>129,139</u>
Excess (deficiency) of revenues over expenditures	<u>(15,151)</u>	<u>(66,423)</u>	<u>288,039</u>	<u>(74,032)</u>	<u>61,817</u>	<u>(302,450)</u>	<u>(35,172)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Operating transfers in (out)	4,760	8,600	-	(128,016)	-	-	-
Total other financing sources (uses)	<u>4,760</u>	<u>8,600</u>	<u>-</u>	<u>(128,016)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>(10,391)</u>	<u>(57,823)</u>	<u>288,039</u>	<u>(202,048)</u>	<u>61,817</u>	<u>(302,450)</u>	<u>(35,172)</u>
Fund balance - beginning of year	<u>11,743</u>	<u>89,755</u>	<u>2,145,008</u>	<u>445,681</u>	<u>127,615</u>	<u>301,455</u>	<u>43,893</u>
Fund balance - end of year	<u>\$ 1,352</u>	<u>\$ 31,932</u>	<u>\$ 2,433,047</u>	<u>\$ 243,633</u>	<u>\$ 189,432</u>	<u>\$ (995)</u>	<u>\$ 8,721</u>

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds							EMS - Atoka
	Joel Fire District	La Huerta Fire District	Loco Hills Fire District	Otis Fire District	White's City Fire District	Property Valuation		
Revenues:								
Taxes:								
Property	-	-	-	-	-	198,577	-	-
Gross receipts:								
Gasoline and motor vehicle	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal operating grants	-	-	-	-	-	-	-	-
State operating grants	153,842	163,257	43,628	-	-	-	-	6,160
Charges for services	-	-	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	-	-	-
Miscellaneous	-	113,958	150	123,990	79,218	-	-	-
Total revenues	153,842	277,215	43,778	123,990	79,218	198,577	-	6,160
Expenditures:								
Current:								
General government	-	-	-	-	-	70,599	-	4,874
Public safety	171,508	97,662	29,027	72,107	31,614	-	-	-
Highways and roads	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service	-	165,558	-	-	-	-	-	-
Capital outlay	-	-	-	201,603	-	19,462	-	-
Total expenditures	171,508	263,220	29,027	273,710	31,614	90,061	-	4,874
Excess (deficiency) of revenues over expenditures	(17,666)	13,995	14,751	(149,720)	47,604	108,516	-	1,286
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Operating transfers in (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net changes in fund balances	(17,666)	13,995	14,751	(149,720)	47,604	108,516	-	1,286
Fund balance - beginning of year	51,555	27,667	(3,811)	130,129	38,983	247,144	-	1
Fund balance - end of year	\$ 33,889	\$ 41,662	\$ 10,940	\$ (19,591)	\$ 86,587	\$ 355,660	\$ 1,287	

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds							EMS - Queen
	EMS - Loco Hills	EMS - Happy Valley	EMS - Joel	Sun City Fire District	Queen Fire Fire District	Riverside Fire District	EMS - Queen	
Revenues:								
Taxes:								
Property	-	-	-	-	-	-	-	-
Gross receipts:								
Gasoline and motor vehicle	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal operating grants	-	-	-	-	-	-	-	-
State operating grants	2,676	5,000	5,000	409	43,628	43,628	3,000	3,000
Charges for services	-	-	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>2,676</u>	<u>5,000</u>	<u>5,000</u>	<u>409</u>	<u>43,628</u>	<u>43,628</u>	<u>3,000</u>	<u>3,000</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	5,374	9,885	8,860	(26,002)	43,986	79,432	588	588
Highways and roads	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>5,374</u>	<u>9,885</u>	<u>8,860</u>	<u>(26,002)</u>	<u>43,986</u>	<u>79,432</u>	<u>588</u>	<u>588</u>
Excess (deficiency) of revenues over expenditures	<u>(2,698)</u>	<u>(4,885)</u>	<u>(3,860)</u>	<u>26,411</u>	<u>(358)</u>	<u>(35,804)</u>	<u>2,412</u>	<u>2,412</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Operating transfers in (out)	-	260	-	-	-	-	-	-
Total other financing sources (uses)	-	<u>260</u>	-	-	-	-	-	-
Net changes in fund balances	<u>(2,698)</u>	<u>(4,625)</u>	<u>(3,860)</u>	<u>26,411</u>	<u>(358)</u>	<u>(35,804)</u>	<u>2,412</u>	<u>2,412</u>
Fund balance - beginning of year	<u>5,045</u>	<u>4,498</u>	<u>5,400</u>	<u>115,437</u>	<u>68,963</u>	<u>31,314</u>	<u>71</u>	<u>71</u>
Fund balance - end of year	<u>\$ 2,347</u>	<u>\$ (127)</u>	<u>\$ 1,540</u>	<u>\$ 141,848</u>	<u>\$ 68,605</u>	<u>\$ (4,490)</u>	<u>\$ 2,483</u>	<u>\$ 2,483</u>

Continued

**STATE OF NEW MEXICO
EDDY COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds						County Clerk Recording and Filing
	EMS - Sun Country	HIDTA-Grant Metro Agency	EMS - Riverside	EMS - Cottonwood	EMS - Otis	GIS Grant	
Revenues:							
Taxes:							
Property	-	-	-	-	-	-	-
Gross receipts:	-	-	-	-	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
Federal operating grants	-	329,730	-	-	-	-	-
State operating grants	10,000	-	5,751	6,200	7,000	-	-
Charges for services	-	-	-	-	-	13,471	-
Licenses and fees	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	66,060
Total revenues	<u>10,000</u>	<u>329,730</u>	<u>5,751</u>	<u>6,200</u>	<u>7,000</u>	<u>13,471</u>	<u>66,060</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	3,896	17,540
Public safety	5,148	415,297	4,440	-	2,071	-	-
Highways and roads	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	5,148	415,297	4,440	-	2,071	3,896	38,642
Total expenditures	<u>4,852</u>	<u>(85,567)</u>	<u>1,311</u>	<u>6,200</u>	<u>4,929</u>	<u>9,575</u>	<u>56,182</u>
Excess (deficiency) of revenues over expenditures							
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Operating transfers in (out)	(4,610)	146,079	-	-	-	-	-
Total other financing sources (uses)	<u>(4,610)</u>	<u>146,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	242	60,512	1,311	6,200	4,929	9,575	9,878
Fund balance - beginning of year	<u>(242)</u>	<u>458</u>	<u>3,060</u>	<u>23,757</u>	<u>2,158</u>	<u>472,728</u>	<u>253,394</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 60,970</u>	<u>\$ 4,371</u>	<u>\$ 29,957</u>	<u>\$ 7,087</u>	<u>\$ 482,303</u>	<u>\$ 263,272</u>

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	EMS - Malaga	Treasurer's Collection Fund	Malaga Fire District	Healthier Services	Protest Suspense Fund	Artesia Motor Vehicle	EMS - La Huerta
Revenues:							
Taxes:							
Property	-	-	-	-	47,917	-	-
Gross receipts:	-	-	-	-	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
Federal operating grants	-	-	-	-	-	-	-
State operating grants	7,601	-	43,628	-	-	-	5,000
Charges for services	-	10,288	-	-	-	-	-
Licenses and fees	-	-	-	-	-	179,401	-
Miscellaneous	-	-	-	-	-	1,759	-
Total revenues	<u>7,601</u>	<u>10,288</u>	<u>43,628</u>	<u>-</u>	<u>47,917</u>	<u>181,160</u>	<u>5,000</u>
Expenditures:							
Current:							
General government	-	3,585	-	-	-	181,644	-
Public safety	8,056	-	36,414	-	-	-	6,151
Highways and roads	-	-	-	-	-	-	-
Health and sanitation	-	-	-	145,329	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>8,056</u>	<u>3,585</u>	<u>36,414</u>	<u>145,329</u>	<u>-</u>	<u>181,644</u>	<u>6,151</u>
Excess (deficiency) of revenues over expenditures	<u>(455)</u>	<u>6,703</u>	<u>7,214</u>	<u>(145,329)</u>	<u>47,917</u>	<u>(484)</u>	<u>(1,151)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Operating transfers in (out)	-	-	-	140,650	941,571	11,309	-
Total other financing sources (uses)	-	-	-	140,650	941,571	11,309	-
Net changes in fund balances	(455)	6,703	7,214	(4,679)	989,488	10,825	(1,151)
Fund balance - beginning of year	(442)	3,785	10,213	8,204	887,280	33,738	254
Fund balance - end of year	<u>(897)</u>	<u>10,488</u>	<u>17,427</u>	<u>3,525</u>	<u>1,876,768</u>	<u>44,563</u>	<u>(897)</u>

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	EMS - White's City	Law Enforcement Protection Act	Correction Fees	Law Enforcement Safety Grant	Detention Fees	Health Office Reserve	CDBG Colonias
Revenues:							
Taxes:							
Property	-	-	-	-	-	-	-
Gross receipts:							
Gasoline and motor vehicle	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
Federal operating grants	-	-	-	-	-	-	59,912
State operating grants	7,640	94,000	236,699	-	-	-	-
Charges for services	-	-	-	-	58,058	-	-
Licenses and fees	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,485	-	-
Total revenues	<u>7,640</u>	<u>94,000</u>	<u>236,699</u>	<u>-</u>	<u>59,543</u>	<u>-</u>	<u>59,912</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	8,100	46,235	75,000	20,341	50,337	-	-
Highways and roads	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	3,815
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>8,100</u>	<u>46,235</u>	<u>75,000</u>	<u>20,341</u>	<u>50,337</u>	<u>-</u>	<u>3,815</u>
Excess (deficiency) of revenues over expenditures	<u>(460)</u>	<u>47,765</u>	<u>161,699</u>	<u>(20,341)</u>	<u>9,206</u>	<u>-</u>	<u>56,097</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Operating transfers in (out)	-	-	-	19,187	-	(645,000)	-
Total other financing sources (uses)	-	-	-	19,187	-	(645,000)	-
Net changes in fund balances	(460)	47,765	161,699	(1,154)	9,206	(645,000)	56,097
Fund balance - beginning of year	-	(763)	124,800	-	257,808	2,000,000	(95,638)
Fund balance - end of year	<u>(460)</u>	<u>47,002</u>	<u>286,499</u>	<u>(1,154)</u>	<u>267,014</u>	<u>1,355,000</u>	<u>(39,541)</u>

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	E-911 Addressing Program	COPS Grant	Alternate Sentencing	Lodger's Tax	Eddy County DWI Fund	Traffic Safety Fund	Maternal and Child Health
Revenues:							
Taxes:							
Property	-	-	-	-	-	-	-
Gross receipts:	-	-	-	-	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-	-
Other	-	-	-	63,529	-	-	-
Intergovernmental:							
Federal operating grants	-	-	-	-	359,610	8,364	-
State operating grants	-	-	-	-	-	-	85,350
Charges for services	-	-	-	-	-	30,150	-
Licenses and fees	-	-	-	-	19,288	-	-
Miscellaneous	-	-	-	-	130	-	-
Total revenues	-	-	-	63,529	379,028	38,514	85,350
Expenditures:							
Current:							
General government	-	-	-	-	-	-	72,597
Public safety	-	-	-	-	372,868	25,296	-
Highways and roads	-	-	-	-	-	-	-
Health and sanitation	-	-	145,935	-	-	-	-
Culture and recreation	-	-	-	73,611	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	-	145,935	73,611	372,868	25,296	72,597
Excess (deficiency) of revenues over expenditures	-	-	(145,935)	(10,082)	6,160	13,218	12,753
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Operating transfers in (out)	-	(146,079)	-	-	-	-	(12,500)
Total other financing sources (uses)	-	(146,079)	-	-	-	-	(12,500)
Net changes in fund balances	-	(146,079)	(145,935)	(10,082)	6,160	13,218	253
Fund balance - beginning of year	79	146,079	128,920	77,379	20,463	34,609	37,313
Fund balance - end of year	79	-	(17,015)	67,297	26,623	47,827	37,566

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	Local Law Enforcement Block Grant	Region VI Task Force	Pecos Valley Drug Task Force	Sheriffs' Special	Artesia Eagle Draw	Fire Excise Reserve Fund	Fire Excise - Queen VFD
Revenues:							
Taxes:							
Property	-	-	-	-	273,496	-	-
Gross receipts:	-	-	-	-	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
Federal operating grants	-	326,641	-	-	-	-	-
State operating grants	-	-	105,513	-	-	-	63,037
Charges for services	-	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	-	326,641	105,513	-	273,496	-	63,037
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	293,363	82,975	688	66,057	-	-
Highways and roads	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	293,363	82,975	688	66,057	-	-
Total expenditures	-	33,278	22,538	(688)	207,439	-	63,037
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	200,000	11,543
Other financing sources (uses):							
Operating transfers in (out)	-	-	-	-	-	200,000	11,543
Total other financing sources (uses)	-	-	-	-	-	200,000	11,543
Net changes in fund balances	-	33,278	22,538	(688)	207,439	200,000	74,580
Fund balance - beginning of year	24,495	78,248	138,967	6,794	497,662	-	-
Fund balance - end of year	\$ 24,495	\$ 111,526	\$ 161,505	\$ 6,106	\$ 705,101	\$ 200,000	\$ 74,580

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	Fire Excise - Atoka VFD	Cottonwood	Fire Excise - Happy Valley	Fire Excise - Joel VFD	Fire Excise - Huerta VFD	Fire Excise - La Loco Hills VFD	Otis
Revenues:							
Taxes:							
Property	-	-	-	-	-	-	-
Gross receipts:	-	-	-	-	-	-	-
Gasoline and motor vehicle	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
Federal operating grants	-	-	-	-	-	-	-
State operating grants	63,037	63,037	63,037	63,037	63,037	63,037	63,037
Charges for services	-	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>63,037</u>	<u>63,037</u>	<u>63,037</u>	<u>63,037</u>	<u>63,037</u>	<u>63,037</u>	<u>63,037</u>
Expenditures:							
Current:							
General government	-	29,000	35,966	17,039	7,518	18,969	5,317
Public safety	-	-	-	-	-	-	-
Highways and roads	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	73,747	-	37,700	208,292	-	-
Total expenditures	-	<u>102,747</u>	<u>35,966</u>	<u>54,739</u>	<u>215,810</u>	<u>18,969</u>	<u>5,317</u>
Excess (deficiency) of revenues over expenditures	<u>63,037</u>	<u>(39,710)</u>	<u>27,071</u>	<u>8,298</u>	<u>(152,773)</u>	<u>44,068</u>	<u>57,720</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Operating transfers in (out)	11,543	450,191	124,206	172,279	255,517	232,471	192,129
Total other financing sources (uses)	<u>11,543</u>	<u>450,191</u>	<u>124,206</u>	<u>172,279</u>	<u>255,517</u>	<u>232,471</u>	<u>192,129</u>
Net changes in fund balances	74,580	410,481	151,277	180,577	102,744	276,539	249,849
Fund balance - beginning of year	-	(34,124)	-	-	-	-	(15,100)
Fund balance - end of year	<u>\$ 74,580</u>	<u>\$ 376,357</u>	<u>\$ 151,277</u>	<u>\$ 180,577</u>	<u>\$ 102,744</u>	<u>\$ 276,539</u>	<u>\$ 234,749</u>

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	White's City	Riverside	Administration	Loving	Hope	Sun Country	Malaga
Revenues:							
Taxes:							
Property	-	-	-	-	-	-	-
Gross receipts:							
Gasoline and motor vehicle	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
Federal operating grants	-	-	-	-	-	-	-
State operating grants	63,037	63,037	41,810	31,518	31,518	63,037	63,037
Charges for services	-	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>63,037</u>	<u>63,037</u>	<u>41,810</u>	<u>31,518</u>	<u>31,518</u>	<u>63,037</u>	<u>63,037</u>
Expenditures:							
Current:							
General government	3,985	9,039	58,869	3,044	17,938	-	21,798
Public safety	-	-	-	-	-	-	-
Highways and roads	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>3,985</u>	<u>9,039</u>	<u>58,869</u>	<u>3,044</u>	<u>17,938</u>	<u>-</u>	<u>134,023</u>
Excess (deficiency) of revenues over expenditures	<u>59,052</u>	<u>53,998</u>	<u>(17,059)</u>	<u>28,474</u>	<u>13,580</u>	<u>63,037</u>	<u>(92,784)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Operating transfers in (out)	122,537	302,958	135,460	160,276	50,735	11,543	151,206
Total other financing sources (uses)	<u>122,537</u>	<u>302,958</u>	<u>135,460</u>	<u>160,276</u>	<u>50,735</u>	<u>11,543</u>	<u>151,206</u>
Net changes in fund balances	181,589	356,956	118,401	188,750	64,315	74,580	58,422
Fund balance - beginning of year	-	-	-	-	-	-	-
Fund balance - end of year	<u>\$ 181,589</u>	<u>\$ 356,956</u>	<u>\$ 118,401</u>	<u>\$ 188,750</u>	<u>\$ 64,315</u>	<u>\$ 74,580</u>	<u>\$ 58,422</u>

Continued

**STATE OF NEW MEXICO
EDDY COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds			Total
	Carlsbad Transfer Station Reserve	Other Transfer Station Reserve	Civil Emergency	
Revenues:				
Taxes:				
Property	-	-	-	519,990
Gross receipts	-	-	-	3,777,321
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	63,742
Intergovernmental:				
Federal operating grants	-	-	-	1,084,257
State operating grants	-	-	1,108,997	3,576,573
Charges for services	-	-	15,625	127,592
Licenses and fees	-	-	-	451,307
Miscellaneous	-	-	-	728,047
Total revenues	<u>-</u>	<u>-</u>	<u>1,124,622</u>	<u>10,328,829</u>
Expenditures:				
Current:				
General government	-	-	-	1,185,387
Public safety	-	-	412,804	2,639,111
Highways and roads	-	-	-	46,499
Health and sanitation	-	-	-	4,077,897
Culture and recreation	-	-	-	140,247
Debt service	-	-	-	185,219
Capital outlay	-	-	159,435	1,208,188
Total expenditures	<u>-</u>	<u>-</u>	<u>572,239</u>	<u>9,482,548</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>552,383</u>	<u>846,281</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	<u>1,000,000</u>	<u>4,450,000</u>	<u>50,000</u>	<u>8,420,805</u>
Total other financing sources (uses)	<u>1,000,000</u>	<u>4,450,000</u>	<u>50,000</u>	<u>8,420,805</u>
Net changes in fund balances	<u>1,000,000</u>	<u>4,450,000</u>	<u>602,383</u>	<u>9,267,086</u>
Fund balance - beginning of year	-	-	(762,065)	8,251,817
Fund balance - beginning of year, restated	-	-	-	8,251,817
Fund balance - end of year	<u>\$ 1,000,000</u>	<u>\$ 4,450,000</u>	<u>\$ (159,682)</u>	<u>\$ 17,518,903</u>

Continued

**STATE OF NEW MEXICO
EDDY COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Capital Project Funds			Total
	Jail Expansion Reserve	Legislative Appropriations	Communications Center	
Revenues:				
Taxes:				
Property	-	-	-	-
Gross receipts:	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	1,555,772	-	1,555,772
State operating grants	-	-	245,679	245,679
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>1,555,772</u>	<u>245,679</u>	<u>1,801,451</u>
Expenditures:				
Current:				
General government	-	1,287,881	-	1,287,881
Public safety	-	-	606,938	606,938
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>1,287,881</u>	<u>606,938</u>	<u>1,894,819</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>267,891</u>	<u>(361,259)</u>	<u>(93,368)</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	385,000	385,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>385,000</u>	<u>385,000</u>
Net changes in fund balances	-	267,891	23,741	291,632
Fund balance - beginning of year	<u>4,000,000</u>	<u>(225,619)</u>	<u>58,204</u>	<u>3,832,585</u>
Fund balance - end of year	<u>\$ 4,000,000</u>	<u>\$ 42,272</u>	<u>\$ 81,945</u>	<u>\$ 4,124,217</u>

Continued

STATE OF NEW MEXICO
EDDY COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Debt Service Funds					Grand Total
	Courthouse Gross Receipts	NMFA Intercept Fund	Fire Excise Tax - Gross Receipts	Capital Improvement	Total	
Revenues:						
Taxes:						
Property	-	-	-	-	-	519,990
Gross receipts:	3,265	-	1,229,219	765,777	1,998,261	5,775,582
Other	-	-	-	-	-	63,742
Intergovernmental:						
Federal operating grants	-	-	-	-	-	2,640,029
State operating grants	-	-	-	-	-	3,822,252
Charges for services	-	-	-	-	-	127,592
Licenses and fees	-	-	-	-	-	451,307
Miscellaneous	-	-	-	-	-	728,047
Total revenues	<u>3,265</u>	<u>-</u>	<u>1,229,219</u>	<u>765,777</u>	<u>1,998,261</u>	<u>14,128,541</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	2,473,268
Public safety	-	21,328	1,284,902	-	1,306,230	4,552,279
Highways and roads	-	-	-	-	-	46,499
Health and sanitation	-	-	-	-	-	4,077,897
Culture and recreation	-	-	-	-	-	140,247
Debt service	-	-	-	-	-	185,219
Capital outlay	-	-	297,806	290,688	588,494	1,796,682
Total expenditures	<u>-</u>	<u>21,328</u>	<u>1,582,708</u>	<u>290,688</u>	<u>1,894,724</u>	<u>13,272,091</u>
Excess (deficiency) of revenues over expenditures	<u>3,265</u>	<u>(21,328)</u>	<u>(353,489)</u>	<u>475,089</u>	<u>103,537</u>	<u>856,450</u>
Other financing sources (uses):						
Operating transfers in (out)	-	-	(580,247)	-	(580,247)	8,225,558
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(580,247)</u>	<u>-</u>	<u>(580,247)</u>	<u>8,225,558</u>
Net changes in fund balances	3,265	(21,328)	(933,736)	475,089	(476,710)	9,082,008
Fund balance - beginning of year	1,000,000	21,328	3,166,285	3,605,027	7,792,640	19,877,042
Fund balance - end of year	<u>\$ 1,003,265</u>	<u>\$ -</u>	<u>\$ 2,232,549</u>	<u>\$ 4,080,116</u>	<u>\$ 7,315,930</u>	<u>\$ 28,959,050</u>

Concluded

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS

**STATE OF NEW MEXICO
EDDY COUNTY**

**FARM AND RANGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 30,000	\$ 30,000	\$ 31,348	\$ 1,348
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>31,348</u>	<u>1,348</u>
Expenditures:				
Current:				
Highways and roads	<u>46,500</u>	<u>46,500</u>	<u>46,499</u>	<u>1</u>
Total expenditures	<u>46,500</u>	<u>46,500</u>	<u>46,499</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(16,500)</u>	<u>(16,500)</u>	<u>(15,151)</u>	<u>1,349</u>
Other financing sources (uses):				
Designated cash	11,743	11,743	-	(11,743)
Operating transfers in (out)	<u>4,757</u>	<u>4,757</u>	<u>4,760</u>	<u>3</u>
Total other financing sources (uses)	<u>16,500</u>	<u>16,500</u>	<u>4,760</u>	<u>(11,740)</u>
Net changes in fund balances	-	-	(10,391)	(10,391)
Fund balance - beginning of year	-	-	11,743	11,743
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,352</u>	<u>\$ 1,352</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**RECREATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 213	\$ 213	\$ 213	\$ -
Total revenues	<u>213</u>	<u>213</u>	<u>213</u>	<u>-</u>
Expenditures:				
Current:				
Culture and recreation	<u>8,700</u>	<u>99,322</u>	<u>66,636</u>	<u>32,686</u>
Total expenditures	<u>8,700</u>	<u>99,322</u>	<u>66,636</u>	<u>32,686</u>
Excess (deficiency) of revenues over expenditures	<u>(8,487)</u>	<u>(99,109)</u>	<u>(66,423)</u>	<u>32,686</u>
Other financing sources (uses):				
Designated cash	<u>8,487</u>	<u>99,109</u>	<u>-</u>	<u>(99,109)</u>
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>8,600</u>	<u>8,600</u>
Total other financing sources (uses)	<u>8,487</u>	<u>99,109</u>	<u>8,600</u>	<u>(90,509)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(57,823)</u>	<u>(57,823)</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>89,755</u>	<u>89,755</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,932</u>	<u>\$ 31,932</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**ENVIRONMENTAL SERVICES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Gross receipts	\$ 1,100,000	\$ 1,100,000	\$ 1,179,912	\$ 79,912
Intergovernmental:				
State operating grants	393,412	393,412	173,709	(219,703)
Licenses and fees	<u>100,000</u>	<u>100,000</u>	<u>252,618</u>	<u>152,618</u>
Total revenues	<u>1,593,412</u>	<u>1,593,412</u>	<u>1,606,239</u>	<u>12,827</u>
Expenditures:				
Current:				
General government	-	-	508,472	(508,472)
Health and sanitation	-	-	<u>809,728</u>	<u>(809,728)</u>
Total expenditures	-	-	<u>1,318,200</u>	<u>(1,318,200)</u>
Excess (deficiency) of revenues over expenditures	<u>1,593,412</u>	<u>1,593,412</u>	<u>288,039</u>	<u>(1,305,373)</u>
Net changes in fund balances	1,593,412	1,593,412	288,039	(1,305,373)
Fund balance - beginning of year	-	-	<u>2,145,008</u>	<u>2,145,008</u>
Fund balance - end of year	<u>\$ 1,593,412</u>	<u>\$ 1,593,412</u>	<u>\$ 2,433,047</u>	<u>\$ 839,635</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**INDIGENT HOSPITAL CLAIMS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Gross receipts	\$ 2,600,000	\$ 2,600,000	\$ 2,597,409	\$ (2,591)
Intergovernmental:				
State operating grants	50,000	325,350	35,209	(290,141)
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>266,440</u>	<u>262,440</u>
Total revenues	<u>2,654,000</u>	<u>2,929,350</u>	<u>2,899,058</u>	<u>(30,292)</u>
Expenditures:				
Current:				
Health and sanitation	<u>2,519,403</u>	<u>3,022,563</u>	<u>2,973,090</u>	<u>49,473</u>
Total expenditures	<u>2,519,403</u>	<u>3,022,563</u>	<u>2,973,090</u>	<u>49,473</u>
Excess (deficiency) of revenues over expenditures	<u>134,597</u>	<u>(93,213)</u>	<u>(74,032)</u>	<u>19,181</u>
Other financing sources (uses):				
Designated cash	19,403	247,213	-	(247,213)
Operating transfers in (out)	<u>(154,000)</u>	<u>(154,000)</u>	<u>(128,016)</u>	<u>25,984</u>
Total other financing sources (uses)	<u>(134,597)</u>	<u>93,213</u>	<u>(128,016)</u>	<u>(221,229)</u>
Net changes in fund balances	-	-	(202,048)	(202,048)
Fund balance - beginning of year	-	-	<u>445,681</u>	<u>445,681</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,633</u>	<u>\$ 243,633</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**ATOKA FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Intergovernmental:				
State operating grants	\$ 117,168	\$ 130,876	\$ 130,876	\$ -
Miscellaneous	-	-	18	18
Total revenues	117,168	130,876	130,894	18
Expenditures:				
Current:				
Public safety	87,000	87,000	69,077	17,923
Capital outlay	30,168	173,358	-	173,358
Total expenditures	117,168	260,358	69,077	191,281
Excess (deficiency) of revenues over expenditures	-	(129,482)	61,817	191,299
Other financing sources (uses):				
Designated cash	-	129,482	-	(129,482)
Total other financing sources (uses)	-	129,482	-	(129,482)
Net changes in fund balances	-	-	61,817	61,817
Fund balance - beginning of year	-	-	127,615	127,615
Fund balance - end of year	\$ -	\$ -	\$ 189,432	\$ 189,432

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

COTTONWOOD FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 117,168	\$ 130,876	\$ 130,876	\$ -
Miscellaneous	-	-	530	530
Total revenues	<u>117,168</u>	<u>130,876</u>	<u>131,406</u>	<u>530</u>
Expenditures:				
Current:				
Public safety	87,000	87,000	98,572	(11,572)
Capital outlay	<u>30,168</u>	<u>344,886</u>	<u>335,284</u>	<u>9,602</u>
Total expenditures	<u>117,168</u>	<u>431,886</u>	<u>433,856</u>	<u>(1,970)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(301,010)</u>	<u>(302,450)</u>	<u>(1,440)</u>
Other financing sources (uses):				
Designated cash	-	301,010	-	(301,010)
Total other financing sources (uses)	<u>-</u>	<u>301,010</u>	<u>-</u>	<u>(301,010)</u>
Net changes in fund balances	-	-	(302,450)	(302,450)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>301,455</u>	<u>301,455</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (995)</u>	<u>\$ (995)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**HAPPY VALLEY FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 79,139	\$ 72,159	\$ 19,658	\$ (52,501)
Miscellaneous	-	-	74,309	74,309
Total revenues	<u>79,139</u>	<u>72,159</u>	<u>93,967</u>	<u>21,808</u>
Expenditures:				
Current:				
Public safety	72,500	72,500	109,478	(36,978)
Debt service	-	-	19,661	(19,661)
Capital outlay	<u>6,639</u>	<u>48,295</u>	<u>-</u>	<u>48,295</u>
Total expenditures	<u>79,139</u>	<u>120,795</u>	<u>129,139</u>	<u>(8,344)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(48,636)</u>	<u>(35,172)</u>	<u>13,464</u>
Designated cash	<u>-</u>	<u>48,636</u>	<u>-</u>	<u>(48,636)</u>
Total other financing sources (uses)	<u>-</u>	<u>48,636</u>	<u>-</u>	<u>(48,636)</u>
Net changes in fund balances	-	-	(35,172)	(35,172)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>43,893</u>	<u>43,893</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,721</u>	<u>\$ 8,721</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**JOEL FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 137,723	\$ 153,836	\$ 153,842	\$ 6
Total revenues	<u>137,723</u>	<u>153,836</u>	<u>153,842</u>	<u>6</u>
Expenditures:				
Current:				
Public safety	97,000	97,000	171,508	(74,508)
Capital outlay	<u>40,723</u>	<u>164,799</u>	<u>-</u>	<u>164,799</u>
Total expenditures	<u>137,723</u>	<u>261,799</u>	<u>171,508</u>	<u>90,291</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(107,963)</u>	<u>(17,666)</u>	<u>90,297</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>107,963</u>	<u>-</u>	<u>(107,963)</u>
Total other financing sources (uses)	<u>-</u>	<u>107,963</u>	<u>-</u>	<u>(107,963)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(17,666)</u>	<u>(17,666)</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>51,555</u>	<u>51,555</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,889</u>	<u>\$ 33,889</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**LA HUERTA FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 123,334	\$ 113,688	\$ 163,257	\$ 49,569
Miscellaneous	-	-	113,958	113,958
Total revenues	123,334	113,688	277,215	163,527
Expenditures:				
Current:				
Public safety	82,000	82,000	97,662	(15,662)
Debt service	-	-	165,558	(165,558)
Capital outlay	41,334	61,408	-	61,408
Total expenditures	123,334	143,408	263,220	(119,812)
Excess (deficiency) of revenues over expenditures	-	(29,720)	13,995	43,715
Other financing sources (uses):				
Designated cash	-	29,720	-	(29,720)
Total other financing sources (uses)	-	29,720	-	(29,720)
Net changes in fund balances	-	-	13,995	13,995
Fund balance - beginning of year	-	-	27,667	27,667
Fund balance - end of year	\$ -	\$ -	\$ 41,662	\$ 41,662

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**LOCO HILLS DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 39,058	\$ 43,628	\$ 43,628	\$ -
Miscellaneous	-	-	150	150
Total revenues	<u>39,058</u>	<u>43,628</u>	<u>43,778</u>	<u>150</u>
Expenditures:				
Current:				
Public safety	33,500	33,356	29,027	4,329
Capital outlay	<u>5,558</u>	<u>10,253</u>	-	<u>10,253</u>
Total expenditures	<u>39,058</u>	<u>43,609</u>	<u>29,027</u>	<u>14,582</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>19</u>	<u>14,751</u>	<u>14,732</u>
Net changes in fund balances	-	19	14,751	14,732
Fund balance - beginning of year	-	-	(3,811)	(3,811)
Fund balance - end of year	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 10,940</u>	<u>\$ 10,921</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**OTIS FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 111,002	\$ 123,990	\$ 123,990	\$ -
Total revenues	<u>111,002</u>	<u>123,990</u>	<u>123,990</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	78,000	78,000	72,107	5,893
Capital outlay	<u>33,002</u>	<u>224,541</u>	<u>201,603</u>	<u>22,938</u>
Total expenditures	<u>111,002</u>	<u>302,541</u>	<u>273,710</u>	<u>28,831</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(178,551)</u>	<u>(149,720)</u>	<u>28,831</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>178,551</u>	<u>-</u>	<u>(178,551)</u>
Total other financing sources (uses)	<u>-</u>	<u>178,551</u>	<u>-</u>	<u>(178,551)</u>
Net changes in fund balances	-	-	(149,720)	(149,720)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>130,129</u>	<u>130,129</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,591)</u>	<u>\$ (19,591)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**WHITE'S CITY FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 70,920	\$ 79,218	\$ 79,218	\$ -
Total revenues	<u>70,920</u>	<u>79,218</u>	<u>79,218</u>	<u>-</u>
Expenditures:				
Current:				
General government	70,920	70,920	31,614	39,306
Capital outlay	-	49,928	-	49,928
Total expenditures	<u>70,920</u>	<u>120,848</u>	<u>31,614</u>	<u>89,234</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(41,630)</u>	<u>47,604</u>	<u>89,234</u>
Other financing sources (uses):				
Designated cash	-	41,630	-	(41,630)
Total other financing sources (uses)	<u>-</u>	<u>41,630</u>	<u>-</u>	<u>(41,630)</u>
Net changes in fund balances	-	-	47,604	47,604
Fund balance - beginning of year	-	-	38,983	38,983
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,587</u>	<u>\$ 86,587</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**PROPERTY VALUATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Property	\$ 150,000	\$ 150,000	\$ 198,577	\$ 48,577
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>198,577</u>	<u>48,577</u>
Expenditures:				
Current:				
General government	222,573	360,932	70,599	290,333
Capital outlay	<u>36,071</u>	<u>36,071</u>	<u>19,462</u>	<u>16,609</u>
Total expenditures	<u>258,644</u>	<u>397,003</u>	<u>90,061</u>	<u>306,942</u>
Excess (deficiency) of revenues over expenditures	<u>(108,644)</u>	<u>(247,003)</u>	<u>108,516</u>	<u>355,519</u>
Other financing sources (uses):				
Designated cash	<u>108,644</u>	<u>247,003</u>	<u>-</u>	<u>(247,003)</u>
Total other financing sources (uses)	<u>108,644</u>	<u>247,003</u>	<u>-</u>	<u>(247,003)</u>
Net changes in fund balances	-	-	108,516	108,516
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>247,144</u>	<u>247,144</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355,660</u>	<u>\$ 355,660</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**EMS - ATOKA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 3,000	\$ 6,127	\$ 6,160	\$ 33
Total revenues	<u>3,000</u>	<u>6,127</u>	<u>6,160</u>	<u>33</u>
Expenditures:				
Current:				
Public safety	<u>3,000</u>	<u>6,128</u>	<u>4,874</u>	<u>1,254</u>
Total expenditures	<u>3,000</u>	<u>6,128</u>	<u>4,874</u>	<u>1,254</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1)</u>	<u>1,286</u>	<u>1,287</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Total other financing sources (uses)	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>1,286</u>	<u>1,286</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,287</u>	<u>\$ 1,287</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**EMS - LOCO HILLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 5,000	\$ 7,676	\$ 2,676	\$ (5,000)
Total revenues	<u>5,000</u>	<u>7,676</u>	<u>2,676</u>	<u>(5,000)</u>
Expenditures:				
Current:				
Public safety	<u>5,000</u>	<u>7,721</u>	<u>5,374</u>	<u>2,347</u>
Total expenditures	<u>5,000</u>	<u>7,721</u>	<u>5,374</u>	<u>2,347</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(45)</u>	<u>(2,698)</u>	<u>(2,653)</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>45</u>	<u>-</u>	<u>(45)</u>
Total other financing sources (uses)	<u>-</u>	<u>45</u>	<u>-</u>	<u>(45)</u>
Net changes in fund balances	-	-	(2,698)	(2,698)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>5,045</u>	<u>5,045</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,347</u>	<u>\$ 2,347</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**EMS - HAPPY VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Total revenues	5,000	5,000	5,000	-
Expenditures:				
Current:				
Public safety	5,000	9,498	9,885	(387)
Total expenditures	5,000	9,498	9,885	(387)
Excess (deficiency) of revenues over expenditures	-	(4,498)	(4,885)	(387)
Other financing sources (uses):				
Designated cash	-	4,498	-	(4,498)
Operating transfers in (out)	-	-	260	260
Total other financing sources (uses)	-	4,498	260	(4,238)
Net changes in fund balances	-	-	(4,625)	(4,625)
Fund balance - beginning of year	-	-	4,498	4,498
Fund balance - end of year	\$ -	\$ -	\$ (127)	\$ (127)

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**EMS - JOEL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Total revenues	5,000	5,000	5,000	-
Expenditures:				
Current:				
Public safety	5,000	11,766	8,860	2,906
Total expenditures	5,000	11,766	8,860	2,906
Excess (deficiency) of revenues over expenditures	-	(6,766)	(3,860)	2,906
Other financing sources (uses):				
Designated cash	-	6,766	-	(6,766)
Total other financing sources (uses)	-	6,766	-	(6,766)
Net changes in fund balances	-	-	(3,860)	(3,860)
Fund balance - beginning of year	-	-	5,400	5,400
Fund balance - end of year	\$ -	\$ -	\$ 1,540	\$ 1,540

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**SUN COUNTRY FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 117,168	\$ 130,876	\$ 409	\$ (130,467)
Total revenues	<u>117,168</u>	<u>130,876</u>	<u>409</u>	<u>(130,467)</u>
Expenditures:				
Current:				
Public safety	87,000	87,000	(26,002)	113,002
Capital outlay	<u>30,168</u>	<u>160,362</u>	<u>-</u>	<u>160,362</u>
Total expenditures	<u>117,168</u>	<u>247,362</u>	<u>(26,002)</u>	<u>273,364</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(116,486)</u>	<u>26,411</u>	<u>142,897</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>116,486</u>	<u>-</u>	<u>(116,486)</u>
Total other financing sources (uses)	<u>-</u>	<u>116,486</u>	<u>-</u>	<u>(116,486)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>26,411</u>	<u>26,411</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>115,437</u>	<u>115,437</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,848</u>	<u>\$ 141,848</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**QUEEN FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 39,058	\$ 43,628	\$ 43,628	\$ -
Total revenues	<u>39,058</u>	<u>43,628</u>	<u>43,628</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	39,058	39,058	43,986	(4,928)
Capital outlay	<u>-</u>	<u>75,858</u>	<u>-</u>	<u>75,858</u>
Total expenditures	<u>39,058</u>	<u>114,916</u>	<u>43,986</u>	<u>70,930</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(71,288)</u>	<u>(358)</u>	<u>70,930</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>71,288</u>	<u>-</u>	<u>(71,288)</u>
Total other financing sources (uses)	<u>-</u>	<u>71,288</u>	<u>-</u>	<u>(71,288)</u>
Net changes in fund balances	-	-	(358)	(358)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>68,963</u>	<u>68,963</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,605</u>	<u>\$ 68,605</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**RIVERSIDE FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 39,058	\$ 43,628	\$ 43,628	\$ -
Total revenues	<u>39,058</u>	<u>43,628</u>	<u>43,628</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	33,500	33,500	79,432	(45,932)
Capital outlay	<u>5,558</u>	<u>42,207</u>	<u>-</u>	<u>42,207</u>
Total expenditures	<u>39,058</u>	<u>75,707</u>	<u>79,432</u>	<u>(3,725)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(32,079)</u>	<u>(35,804)</u>	<u>(3,725)</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>32,079</u>	<u>-</u>	<u>(32,079)</u>
Total other financing sources (uses)	<u>-</u>	<u>32,079</u>	<u>-</u>	<u>(32,079)</u>
Net changes in fund balances	-	-	(35,804)	(35,804)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>31,314</u>	<u>31,314</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,490)</u>	<u>\$ (4,490)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

EMS - QUEEN

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	<u>3,000</u>	<u>3,071</u>	<u>588</u>	<u>2,483</u>
Total expenditures	<u>3,000</u>	<u>3,071</u>	<u>588</u>	<u>2,483</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(71)</u>	<u>2,412</u>	<u>2,483</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>71</u>	<u>-</u>	<u>(71)</u>
Total other financing sources (uses)	<u>-</u>	<u>71</u>	<u>-</u>	<u>(71)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>2,412</u>	<u>2,412</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>71</u>	<u>71</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,483</u>	<u>\$ 2,483</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**EMS - SUN COUNTRY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>
Expenditures:				
Current:				
Public safety	<u>5,000</u>	<u>5,395</u>	<u>5,148</u>	<u>247</u>
Total expenditures	<u>5,000</u>	<u>5,395</u>	<u>5,148</u>	<u>247</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(395)</u>	<u>4,852</u>	<u>5,247</u>
Other financing sources (uses):				
Designated cash	-	395	-	(395)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(4,610)</u>	<u>(4,610)</u>
Total other financing sources (uses)	<u>-</u>	<u>395</u>	<u>(4,610)</u>	<u>(5,005)</u>
Net changes in fund balances	-	-	242	242
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>(242)</u>	<u>(242)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**HIDTA GRANT - METRO AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal operating grants	\$ 286,868	\$ 286,868	\$ 329,730	\$ 42,862
Total revenues	<u>286,868</u>	<u>286,868</u>	<u>329,730</u>	<u>42,862</u>
Expenditures:				
Current:				
Public safety	<u>286,868</u>	<u>287,906</u>	<u>415,297</u>	<u>(127,391)</u>
Total expenditures	<u>286,868</u>	<u>287,906</u>	<u>415,297</u>	<u>(127,391)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,038)</u>	<u>(85,567)</u>	<u>(84,529)</u>
Other financing sources (uses):				
Designated cash	-	1,038	-	(1,038)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>146,079</u>	<u>146,079</u>
Total other financing sources (uses)	<u>-</u>	<u>1,038</u>	<u>146,079</u>	<u>145,041</u>
Net changes in fund balances	-	-	60,512	60,512
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>458</u>	<u>458</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,970</u>	<u>\$ 60,970</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

EMS - RIVERSIDE

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 7,000	\$ 5,751	\$ 5,751	\$ -
Total revenues	<u>7,000</u>	<u>5,751</u>	<u>5,751</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	<u>7,000</u>	<u>9,889</u>	<u>4,440</u>	<u>5,449</u>
Total expenditures	<u>7,000</u>	<u>9,889</u>	<u>4,440</u>	<u>5,449</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(4,138)</u>	<u>1,311</u>	<u>5,449</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>4,138</u>	<u>-</u>	<u>(4,138)</u>
Total other financing sources (uses)	<u>-</u>	<u>4,138</u>	<u>-</u>	<u>(4,138)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>1,311</u>	<u>1,311</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>3,060</u>	<u>3,060</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,371</u>	<u>\$ 4,371</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**EMS - COTTONWOOD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 5,000	\$ 6,200	\$ 6,200	\$ -
Total revenues	<u>5,000</u>	<u>6,200</u>	<u>6,200</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	<u>5,000</u>	<u>29,957</u>	<u>-</u>	<u>29,957</u>
Total expenditures	<u>5,000</u>	<u>29,957</u>	<u>-</u>	<u>29,957</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(23,757)</u>	<u>6,200</u>	<u>29,957</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>23,757</u>	<u>-</u>	<u>(23,757)</u>
Total other financing sources (uses)	<u>-</u>	<u>23,757</u>	<u>-</u>	<u>(23,757)</u>
Net changes in fund balances	-	-	6,200	6,200
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>23,757</u>	<u>23,757</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,957</u>	<u>\$ 29,957</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

EMS - OTIS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	<u>7,000</u>	<u>9,158</u>	<u>2,071</u>	<u>7,087</u>
Total expenditures	<u>7,000</u>	<u>9,158</u>	<u>2,071</u>	<u>7,087</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,158)</u>	<u>4,929</u>	<u>7,087</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>2,158</u>	<u>-</u>	<u>(2,158)</u>
Total other financing sources (uses)	<u>-</u>	<u>2,158</u>	<u>-</u>	<u>(2,158)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>4,929</u>	<u>4,929</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>2,158</u>	<u>2,158</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,087</u>	<u>\$ 7,087</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**GIS - GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 13,471	\$ (6,529)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>13,471</u>	<u>(6,529)</u>
Expenditures:				
Current:				
General government	408,000	408,000	3,896	404,104
Capital outlay	<u>42,000</u>	<u>42,000</u>	<u>-</u>	<u>42,000</u>
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>3,896</u>	<u>446,104</u>
Excess (deficiency) of revenues over expenditures	<u>(430,000)</u>	<u>(430,000)</u>	<u>9,575</u>	<u>439,575</u>
Other financing sources (uses):				
Designated cash	<u>430,000</u>	<u>430,000</u>	<u>-</u>	<u>(430,000)</u>
Total other financing sources (uses)	<u>430,000</u>	<u>430,000</u>	<u>-</u>	<u>(430,000)</u>
Net changes in fund balances	-	-	9,575	9,575
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>472,728</u>	<u>472,728</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,303</u>	<u>\$ 482,303</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**COUNTY CLERK RECORDING AND FILING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 50,000	\$ 50,000	\$ 66,060	\$ 16,060
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>66,060</u>	<u>16,060</u>
Expenditures:				
Current:				
General government	9,850	9,850	17,540	(7,690)
Capital outlay	<u>142,775</u>	<u>142,775</u>	<u>38,642</u>	<u>104,133</u>
Total expenditures	<u>152,625</u>	<u>152,625</u>	<u>56,182</u>	<u>96,443</u>
Excess (deficiency) of revenues over expenditures	<u>(102,625)</u>	<u>(102,625)</u>	<u>9,878</u>	<u>112,503</u>
Other financing sources (uses):				
Designated cash	<u>102,625</u>	<u>102,625</u>	<u>-</u>	<u>(102,625)</u>
Total other financing sources (uses)	<u>102,625</u>	<u>102,625</u>	<u>-</u>	<u>(102,625)</u>
Net changes in fund balances	-	-	9,878	9,878
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>253,394</u>	<u>253,394</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,272</u>	<u>\$ 263,272</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

EMS - MALAGA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 7,000	\$ 7,601	\$ 7,601	\$ -
Total revenues	<u>7,000</u>	<u>7,601</u>	<u>7,601</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	<u>7,000</u>	<u>7,618</u>	<u>8,056</u>	<u>(438)</u>
Total expenditures	<u>7,000</u>	<u>7,618</u>	<u>8,056</u>	<u>(438)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(17)</u>	<u>(455)</u>	<u>(438)</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>17</u>	<u>-</u>	<u>(17)</u>
Total other financing sources (uses)	<u>-</u>	<u>17</u>	<u>-</u>	<u>(17)</u>
Net changes in fund balances	-	-	(455)	(455)
Fund balance - beginning of year	-	-	(442)	(442)
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (897)</u>	<u>\$ (897)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**TREASURER'S COLLECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 8,000	\$ 8,000	\$ 10,288	\$ 2,288
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>10,288</u>	<u>2,288</u>
Expenditures:				
Current:				
General government	8,000	8,000	3,585	4,415
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>3,585</u>	<u>4,415</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>6,703</u>	<u>6,703</u>
Net changes in fund balances	-	-	6,703	6,703
Fund balance - beginning of year	-	-	3,785	3,785
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,488</u>	<u>\$ 10,488</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**MALAGA FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 39,058	\$ 43,628	\$ 43,628	\$ -
Total revenues	<u>39,058</u>	<u>43,628</u>	<u>43,628</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	36,558	36,558	36,414	144
Capital outlay	-	15,014	-	15,014
Total expenditures	<u>36,558</u>	<u>51,572</u>	<u>36,414</u>	<u>15,158</u>
Excess (deficiency) of revenues over expenditures	<u>2,500</u>	<u>(7,944)</u>	<u>7,214</u>	<u>15,158</u>
Other financing sources (uses):				
Designated cash	-	7,944	-	(7,944)
Total other financing sources (uses)	<u>-</u>	<u>7,944</u>	<u>-</u>	<u>(7,944)</u>
Net changes in fund balances	2,500	-	7,214	7,214
Fund balance - beginning of year	-	-	10,213	10,213
Fund balance - end of year	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 17,427</u>	<u>\$ 17,427</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**HEALTHIER SERVICES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Health and sanitation	140,250	140,942	145,329	(4,387)
Capital outlay	2,000	2,000	-	2,000
Total expenditures	<u>142,250</u>	<u>142,942</u>	<u>145,329</u>	<u>(2,387)</u>
Excess (deficiency) of revenues over expenditures	<u>(142,250)</u>	<u>(142,942)</u>	<u>(145,329)</u>	<u>(2,387)</u>
Other financing sources (uses):				
Operating transfers in (out)	<u>154,000</u>	<u>154,000</u>	<u>140,650</u>	<u>(13,350)</u>
Total other financing sources (uses)	<u>154,000</u>	<u>154,000</u>	<u>140,650</u>	<u>(13,350)</u>
Net changes in fund balances	11,750	11,058	(4,679)	(15,737)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>8,204</u>	<u>8,204</u>
Fund balance - end of year	<u>\$ 11,750</u>	<u>\$ 11,058</u>	<u>\$ 3,525</u>	<u>\$ (7,533)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**CARLSBAD TRANSFER STATION RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Operating transfers in (out)	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Total other financing sources (uses)	-	-	1,000,000	1,000,000
Net changes in fund balances	-	-	1,000,000	1,000,000
Fund balance - end of year	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**PROTEST SUSPENSE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Property	\$ -	\$ -	\$ 47,917	\$ 47,917
Total revenues	-	-	47,917	47,917
Excess of revenues over expenditures	-	-	47,917	47,917
Other financing sources (uses):				
Operating transfers in (out)	-	-	941,571	941,571
Total other financing sources (uses)	-	-	941,571	941,571
Net changes in fund balances	-	-	989,488	989,488
Fund balance - beginning of year	-	-	887,280	887,280
Fund balance - end of year	\$ -	\$ -	\$ 1,876,768	\$ 1,876,768

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**ARTESIA MOTOR VEHICLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and fees	\$ 155,000	\$ 155,000	\$ 179,401	\$ 24,401
Miscellaneous	1,000	1,000	1,759	759
Total revenues	<u>156,000</u>	<u>156,000</u>	<u>181,160</u>	<u>25,160</u>
Expenditures:				
Current:				
General government	<u>183,165</u>	<u>184,386</u>	<u>181,644</u>	<u>2,742</u>
Total expenditures	<u>183,165</u>	<u>184,386</u>	<u>181,644</u>	<u>2,742</u>
Excess (deficiency) of revenues over expenditures	<u>(27,165)</u>	<u>(28,386)</u>	<u>(484)</u>	<u>27,902</u>
Other financing sources (uses):				
Designated cash	15,856	17,077	-	(17,077)
Operating transfers in (out)	<u>11,309</u>	<u>11,309</u>	<u>11,309</u>	<u>-</u>
Total other financing sources (uses)	<u>27,165</u>	<u>28,386</u>	<u>11,309</u>	<u>(17,077)</u>
Net changes in fund balances	-	-	10,825	10,825
Fund balance - beginning of year	-	-	<u>33,738</u>	<u>33,738</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,563</u>	<u>\$ 44,563</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**OTHER TRANSFER STATION RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Operating transfers in (out)	\$ -	\$ -	\$ 4,450,000	\$ 4,450,000
Total other financing sources (uses)	-	-	4,450,000	4,450,000
Net changes in fund balances	-	-	4,450,000	4,450,000
Fund balance - end of year	\$ -	\$ -	\$ 4,450,000	\$ 4,450,000

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**EMS - LA HUERTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	4,000	4,254	6,151	(1,897)
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>5,000</u>	<u>5,254</u>	<u>6,151</u>	<u>(897)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(254)</u>	<u>(1,151)</u>	<u>(897)</u>
Other financing sources (uses):				
Designated cash	<u>-</u>	<u>254</u>	<u>-</u>	<u>(254)</u>
Total other financing sources (uses)	<u>-</u>	<u>254</u>	<u>-</u>	<u>(254)</u>
Net changes in fund balances	-	-	(1,151)	(1,151)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>254</u>	<u>254</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (897)</u>	<u>\$ (897)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**EMS - WHITE'S CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 7,000	\$ 7,640	\$ 7,640	\$ -
Total revenues	<u>7,000</u>	<u>7,640</u>	<u>7,640</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	<u>7,000</u>	<u>7,640</u>	<u>8,100</u>	<u>(460)</u>
Total expenditures	<u>7,000</u>	<u>7,640</u>	<u>8,100</u>	<u>(460)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(460)</u>	<u>(460)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(460)</u>	<u>(460)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (460)</u>	<u>\$ (460)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**LAW ENFORCEMENT PROTECTION ACT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 47,000	\$ 47,000	\$ 94,000	\$ 47,000
Total revenues	<u>47,000</u>	<u>47,000</u>	<u>94,000</u>	<u>47,000</u>
Expenditures:				
Current:				
Public safety	30,000	30,000	46,235	(16,235)
Capital outlay	<u>17,000</u>	<u>17,000</u>	<u>-</u>	<u>17,000</u>
Total expenditures	<u>47,000</u>	<u>47,000</u>	<u>46,235</u>	<u>765</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>47,765</u>	<u>47,765</u>
Net changes in fund balances	-	-	47,765	47,765
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>(763)</u>	<u>(763)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,002</u>	<u>\$ 47,002</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**CORRECTION FEES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 75,000	\$ 75,000	\$ 236,699	\$ 161,699
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>236,699</u>	<u>161,699</u>
Expenditures:				
Current:				
Public safety	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>161,699</u>	<u>161,699</u>
Net changes in fund balances	-	-	161,699	161,699
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>124,800</u>	<u>124,800</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,499</u>	<u>\$ 286,499</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**LAW ENFORCEMENT TRAFFIC SAFETY GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Expenditures:				
Current:				
Public safety	10,000	10,000	20,341	(10,341)
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,341</u>	<u>(341)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(20,341)</u>	<u>(20,341)</u>
Other financing sources (uses):				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>19,187</u>	<u>19,187</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>19,187</u>	<u>19,187</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>(1,154)</u>	<u>(1,154)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,154)</u>	<u>\$ (1,154)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**DETENTION FEES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 9,050	\$ 9,050	\$ 58,058	\$ 49,008
Miscellaneous	-	-	1,485	1,485
Total revenues	<u>9,050</u>	<u>9,050</u>	<u>59,543</u>	<u>50,493</u>
Expenditures:				
Current:				
Public safety	40,000	42,000	50,337	(8,337)
Capital outlay	<u>18,000</u>	<u>18,000</u>	-	<u>18,000</u>
Total expenditures	<u>58,000</u>	<u>60,000</u>	<u>50,337</u>	<u>9,663</u>
Excess (deficiency) of revenues over expenditures	<u>(48,950)</u>	<u>(50,950)</u>	<u>9,206</u>	<u>60,156</u>
Other financing sources (uses):				
Designated cash	<u>48,950</u>	<u>50,950</u>	-	<u>(50,950)</u>
Total other financing sources (uses)	<u>48,950</u>	<u>50,950</u>	-	<u>(50,950)</u>
Net changes in fund balance	-	-	9,206	9,206
Fund balance - beginning of year	-	-	<u>257,808</u>	<u>257,808</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,014</u>	<u>\$ 267,014</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**HEALTH OFFICE RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(645,000)</u>	<u>(645,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(645,000)</u>	<u>(645,000)</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>(645,000)</u>	<u>(645,000)</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,355,000</u>	<u>\$ 1,355,000</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**CDBG - COLONIAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal operating grants	\$ 521,260	\$ 521,260	\$ 59,912	\$ (461,348)
Total revenues	<u>521,260</u>	<u>521,260</u>	<u>59,912</u>	<u>(461,348)</u>
Expenditures:				
Current:				
Health and sanitation	<u>521,260</u>	<u>518,426</u>	<u>3,815</u>	<u>514,611</u>
Total expenditures	<u>521,260</u>	<u>518,426</u>	<u>3,815</u>	<u>514,611</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,834</u>	<u>56,097</u>	<u>53,263</u>
Net changes in fund balance	-	2,834	56,097	53,263
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>(95,638)</u>	<u>(95,638)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 2,834</u>	<u>\$ (39,541)</u>	<u>\$ (42,375)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**E-911 ADDRESSING PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance - beginning of year	\$ -	\$ -	\$ 79	\$ 79
Fund balance - end of year	\$ -	\$ -	\$ 79	\$ 79

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**COPS GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Operating transfers in (out)	\$ -	\$ -	\$ (146,079)	\$ (146,079)
Total other financing sources (uses)	-	-	(146,079)	(146,079)
Net changes in fund balance	-	-	(146,079)	(146,079)
Fund balance - beginning of year	-	-	146,079	146,079
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**ALTERNATE SENTENCING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Health and sanitation	\$ -	\$ -	\$ 145,935	\$ (145,935)
Total expenditures	-	-	145,935	(145,935)
Excess (deficiency) of revenues over expenditures	-	-	(145,935)	(145,935)
Net changes in fund balance	-	-	(145,935)	(145,935)
Fund balance - beginning of year	-	-	128,920	128,920
Fund balance - end of year	\$ -	\$ -	\$ (17,015)	\$ (17,015)

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**LODGER'S TAX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Other	\$ 65,000	\$ 65,000	\$ 63,529	\$ (1,471)
Total revenues	65,000	65,000	63,529	(1,471)
Expenditures:				
Current:				
Culture and recreation	72,000	72,000	73,611	(1,611)
Total expenditures	72,000	72,000	73,611	(1,611)
Excess (deficiency) of revenues over expenditures	(7,000)	(7,000)	(10,082)	(3,082)
Other financing sources (uses):				
Designated cash	7,000	7,000	-	(7,000)
Total other financing sources (uses)	7,000	7,000	-	(7,000)
Net changes in fund balance	-	-	(10,082)	(10,082)
Fund balance - beginning of year	-	-	77,379	77,379
Fund balance - end of year	\$ -	\$ -	\$ 67,297	\$ 67,297

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**DWI - DISTRIBUTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal operating grants	\$ 449,429	\$ 449,429	\$ 359,610	\$ (89,819)
Licenses and fees	-	-	19,288	19,288
Miscellaneous	-	-	130	130
Total revenues	449,429	449,429	379,028	(70,401)
Expenditures:				
Current:				
Public safety	441,429	454,322	372,868	81,454
Capital outlay	8,000	-	-	-
Total expenditures	449,429	454,322	372,868	81,454
Excess (deficiency) of revenues over expenditures	-	(4,893)	6,160	11,053
Other financing sources (uses):				
Designated cash	-	4,893	-	(4,893)
Total other financing sources (uses)	-	4,893	-	(4,893)
Net changes in fund balance	-	-	6,160	6,160
Fund balance - beginning of year	-	-	20,463	20,463
Fund balance - end of year	\$ -	\$ -	\$ 26,623	\$ 26,623

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**TRAFFIC SAFETY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal operating grants	\$ 20,898	\$ 20,898	\$ 8,364	\$ (12,534)
Charges for services	-	-	30,150	30,150
Total revenues	<u>20,898</u>	<u>20,898</u>	<u>38,514</u>	<u>17,616</u>
Expenditures:				
Current:				
Public safety	<u>20,898</u>	<u>20,898</u>	<u>25,296</u>	<u>(4,398)</u>
Total expenditures	<u>20,898</u>	<u>20,898</u>	<u>25,296</u>	<u>(4,398)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>13,218</u>	<u>13,218</u>
Net changes in fund balance	-	-	13,218	13,218
Fund balance - beginning of year	-	-	34,609	34,609
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,827</u>	<u>\$ 47,827</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**MATERNAL CHILD AND HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 60,000	\$ 60,000	\$ 85,350	\$ 25,350
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>85,350</u>	<u>25,350</u>
Expenditures:				
Current:				
General government	<u>59,972</u>	<u>84,952</u>	<u>72,597</u>	<u>12,355</u>
Total expenditures	<u>59,972</u>	<u>84,952</u>	<u>72,597</u>	<u>12,355</u>
Excess (deficiency) of revenues over expenditures	<u>28</u>	<u>(24,952)</u>	<u>12,753</u>	<u>37,705</u>
Other financing sources (uses):				
Designated cash	-	24,952	-	(24,952)
Operating transfers in (out)	-	-	(12,500)	(12,500)
Total other financing sources (uses)	<u>-</u>	<u>24,952</u>	<u>(12,500)</u>	<u>(37,452)</u>
Net changes in fund balance	28	-	253	253
Fund balance - beginning of year	-	-	37,313	37,313
Fund balance - end of year	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 37,566</u>	<u>\$ 37,566</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**CERT GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Operating transfers in (out)	\$ -	\$ 60,000	\$ -	\$ (60,000)
Total other financing sources (uses)	-	60,000	-	(60,000)
Net changes in fund balance	-	60,000	-	(60,000)
Fund balance - end of year	\$ -	\$ 60,000	\$ -	\$ (60,000)

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**LOCAL LAW ENFORCEMENT BLOCK GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal operating grants	\$ 168,243	\$ 168,243	\$ -	\$ (168,243)
Total revenues	<u>168,243</u>	<u>168,243</u>	<u>-</u>	<u>(168,243)</u>
Expenditures:				
Current:				
Public safety	<u>-</u>	<u>18,391</u>	<u>-</u>	<u>18,391</u>
Total expenditures	<u>-</u>	<u>18,391</u>	<u>-</u>	<u>18,391</u>
Excess (deficiency) of revenues over expenditures	<u>168,243</u>	<u>149,852</u>	<u>-</u>	<u>(149,852)</u>
Net changes in fund balance	<u>168,243</u>	<u>149,852</u>	<u>-</u>	<u>(149,852)</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>24,495</u>	<u>24,495</u>
Fund balance - end of year	<u>\$ 168,243</u>	<u>\$ 149,852</u>	<u>\$ 24,495</u>	<u>\$ (125,357)</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

REGION VI TASK FORCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Federal operating grants	\$ -	\$ -	\$ 326,641	\$ 326,641
Total revenues	-	-	326,641	326,641
Expenditures:				
Current:				
Public safety	\$ 166,743	\$ 166,743	\$ 293,363	\$ (126,620)
Capital outlay	1,500	1,500	-	1,500
Total expenditures	168,243	168,243	293,363	(125,120)
Excess (deficiency) of revenues over expenditures	(168,243)	(168,243)	33,278	201,521
Other financing sources (uses):				
Designated cash	168,243	168,243	-	(168,243)
Total other financing sources (uses)	168,243	168,243	-	(168,243)
Net changes in fund balance	-	-	33,278	33,278
Fund balance - beginning of year	-	-	78,248	78,248
Fund balance - end of year	\$ -	\$ -	\$ 111,526	\$ 111,526

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**PECOS VALLEY DRUG TASK FORCE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 75,000	\$ 75,000	\$ 105,513	\$ 30,513
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>105,513</u>	<u>30,513</u>
Expenditures:				
Current:				
Public safety	75,000	\$ 75,000	82,975	(7,975)
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>82,975</u>	<u>(7,975)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>22,538</u>	<u>22,538</u>
Net changes in fund balance	-	-	22,538	22,538
Fund balance - beginning of year	-	-	138,967	138,967
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,505</u>	<u>\$ 161,505</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**CIVIL EMERGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 421,220	\$ 427,215	\$ 1,108,997	\$ 681,782
Charges for services	12,500	12,500	15,625	3,125
Total revenues	<u>433,720</u>	<u>439,715</u>	<u>1,124,622</u>	<u>684,907</u>
Expenditures:				
Current:				
Public safety	573,593	\$ 588,882	412,804	176,078
Capital outlay	90,243	101,611	159,435	(57,824)
Total expenditures	<u>663,836</u>	<u>690,493</u>	<u>572,239</u>	<u>118,254</u>
Excess (deficiency) of revenues over expenditures	<u>(230,116)</u>	<u>(250,778)</u>	<u>552,383</u>	<u>803,161</u>
Other financing sources (uses):				
Designated cash	-	778	-	(778)
Operating transfers in (out)	250,000	250,000	50,000	(200,000)
Total other financing sources (uses)	<u>250,000</u>	<u>250,778</u>	<u>50,000</u>	<u>(200,778)</u>
Net changes in fund balance	19,884	-	602,383	602,383
Fund balance - beginning of year	-	-	(762,065)	(762,065)
Fund balance - end of year	<u>\$ 19,884</u>	<u>\$ -</u>	<u>\$ (159,682)</u>	<u>\$ (159,682)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**ARTESIA EAGLE DRAW
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Property	\$ -	\$ -	\$ 273,496	\$ 273,496
Total revenues	-	-	273,496	273,496
Expenditures:				
Current:				
Public safety	-	495,603	66,057	429,546
Total expenditures	-	495,603	66,057	429,546
Excess (deficiency) of revenues over expenditures	-	(495,603)	207,439	703,042
Other financing sources (uses):				
Designated cash	-	495,603	-	(495,603)
Total other financing sources (uses)	-	495,603	-	(495,603)
Net changes in fund balance	-	-	207,439	207,439
Fund balance - beginning of year	-	-	497,662	497,662
Fund balance - end of year	\$ -	\$ -	\$ 705,101	\$ 705,101

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Operating transfers in (out)	\$ -	\$ -	\$ 200,000	\$ 200,000
Total other financing sources (uses)	-	-	200,000	200,000
Net changes in fund balance	-	-	200,000	200,000
Fund balance - end of year	\$ -	\$ -	\$ 200,000	\$ 200,000

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - QUEEN VFD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Capital outlay	<u>295,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>295,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(229,000)</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Other financing sources (uses):				
Operating transfers in (out)	<u>229,000</u>	<u>229,000</u>	<u>11,543</u>	<u>(217,457)</u>
Total other financing sources (uses)	<u>229,000</u>	<u>229,000</u>	<u>11,543</u>	<u>(217,457)</u>
Net changes in fund balance	<u>-</u>	<u>292,000</u>	<u>74,580</u>	<u>(217,420)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 292,000</u>	<u>\$ 74,580</u>	<u>\$ (217,420)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - ATOKA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Capital outlay	<u>162,715</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>162,715</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(96,715)</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Other financing sources (uses):				
Operating transfers in (out)	<u>96,715</u>	<u>96,715</u>	<u>11,543</u>	<u>(85,172)</u>
Total other financing sources (uses)	<u>96,715</u>	<u>96,715</u>	<u>11,543</u>	<u>(85,172)</u>
Net changes in fund balance	<u>-</u>	<u>159,715</u>	<u>74,580</u>	<u>(85,135)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 159,715</u>	<u>\$ 74,580</u>	<u>\$ (85,135)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - COTTONWOOD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Public safety	-	13,000	29,000	(16,000)
Capital outlay	<u>66,000</u>	<u>488,648</u>	<u>73,747</u>	<u>414,901</u>
Total expenditures	<u>66,000</u>	<u>501,648</u>	<u>102,747</u>	<u>398,901</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(438,648)</u>	<u>(39,710)</u>	<u>398,938</u>
Other financing sources (uses):				
Designated cash	-	438,648	-	(438,648)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>450,191</u>	<u>450,191</u>
Total other financing sources (uses)	<u>-</u>	<u>438,648</u>	<u>450,191</u>	<u>11,543</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>410,481</u>	<u>410,481</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>(34,124)</u>	<u>(34,124)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,357</u>	<u>\$ 376,357</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - HAPPY VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	66,000	63,000	63,037	37
Expenditures:				
Public safety	-	13,000	35,966	(22,966)
Capital outlay	66,000	162,923	-	162,923
Total expenditures	66,000	175,923	35,966	139,957
Excess (deficiency) of revenues over expenditures	-	(112,923)	27,071	139,994
Other financing sources (uses):				
Designated cash	-	112,923	-	(112,923)
Operating transfers in (out)	-	-	124,206	124,206
Total other financing sources (uses)	-	112,923	124,206	11,283
Net changes in fund balance	-	-	151,277	151,277
Fund balance - end of year	\$ -	\$ -	\$ 151,277	\$ 151,277

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

FIRE EXCISE - JOEL

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	66,000	63,000	63,037	37
Expenditures:				
Public safety	-	8,933	17,039	(8,106)
Capital outlay	66,000	210,736	37,700	173,036
Total expenditures	66,000	219,669	54,739	164,930
Excess (deficiency) of revenues over expenditures	-	(156,669)	8,298	164,967
Other financing sources (uses):				
Designated cash	-	156,669	-	(156,669)
Operating transfers in (out)	-	-	172,279	172,279
Total other financing sources (uses)	-	156,669	172,279	15,610
Net changes in fund balance	-	-	180,577	180,577
Fund balance - end of year	\$ -	\$ -	\$ 180,577	\$ 180,577

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - LA HUERTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Public safety	-	13,000	7,518	5,482
Capital outlay	<u>66,000</u>	<u>293,974</u>	<u>208,292</u>	<u>85,682</u>
Total expenditures	<u>66,000</u>	<u>306,974</u>	<u>215,810</u>	<u>91,164</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(243,974)</u>	<u>(152,773)</u>	<u>91,201</u>
Other financing sources (uses):				
Designated cash	-	243,974	-	(243,974)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>255,517</u>	<u>255,517</u>
Total other financing sources (uses)	<u>-</u>	<u>243,974</u>	<u>255,517</u>	<u>11,543</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>102,744</u>	<u>102,744</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,744</u>	<u>\$ 102,744</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - LOCO HILLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Public safety	-	13,000	18,969	(5,969)
Capital outlay	<u>66,000</u>	<u>270,928</u>	<u>-</u>	<u>270,928</u>
Total expenditures	<u>66,000</u>	<u>283,928</u>	<u>18,969</u>	<u>264,959</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(220,928)</u>	<u>44,068</u>	<u>264,996</u>
Other financing sources (uses):				
Designated cash	-	220,928	-	(220,928)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>232,471</u>	<u>232,471</u>
Total other financing sources (uses)	<u>-</u>	<u>220,928</u>	<u>232,471</u>	<u>11,543</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>276,539</u>	<u>276,539</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,539</u>	<u>\$ 276,539</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - OTIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Public safety	-	13,000	5,317	7,683
Capital outlay	<u>66,000</u>	<u>230,586</u>	<u>-</u>	<u>230,586</u>
Total expenditures	<u>66,000</u>	<u>243,586</u>	<u>5,317</u>	<u>238,269</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(180,586)</u>	<u>57,720</u>	<u>238,306</u>
Other financing sources (uses):				
Designated cash	-	180,586	-	(180,586)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>192,129</u>	<u>192,129</u>
Total other financing sources (uses)	<u>-</u>	<u>180,586</u>	<u>192,129</u>	<u>11,543</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>249,849</u>	<u>249,849</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>(15,100)</u>	<u>(15,100)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,749</u>	<u>\$ 234,749</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - WHITE'S CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	66,000	63,000	63,037	37
Expenditures:				
Public safety	-	13,000	3,985	9,015
Capital outlay	66,000	160,994	-	160,994
Total expenditures	66,000	173,994	3,985	170,009
Excess (deficiency) of revenues over expenditures	-	(110,994)	59,052	170,046
Other financing sources (uses):				
Designated cash	-	110,994	-	(110,994)
Operating transfers in (out)	-	-	122,537	122,537
Total other financing sources (uses)	-	110,994	122,537	11,543
Net changes in fund balance	-	-	181,589	181,589
Fund balance - end of year	\$ -	\$ -	\$ 181,589	\$ 181,589

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Public safety	-	13,000	9,039	3,961
Capital outlay	<u>66,000</u>	<u>341,415</u>	<u>-</u>	<u>341,415</u>
Total expenditures	<u>66,000</u>	<u>354,415</u>	<u>9,039</u>	<u>345,376</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(291,415)</u>	<u>53,998</u>	<u>345,413</u>
Other financing sources (uses):				
Designated cash	-	291,415	-	(291,415)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>302,958</u>	<u>302,958</u>
Total other financing sources (uses)	<u>-</u>	<u>291,415</u>	<u>302,958</u>	<u>11,543</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>356,956</u>	<u>356,956</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 356,956</u>	<u>\$ 356,956</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - ADMINISTRATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 44,000	\$ 40,000	\$ 41,810	\$ 1,810
Total revenues	<u>44,000</u>	<u>40,000</u>	<u>41,810</u>	<u>1,810</u>
Expenditures:				
Public safety	-	12,175	58,869	(46,694)
Capital outlay	<u>44,000</u>	<u>154,804</u>	<u>-</u>	<u>154,804</u>
Total expenditures	<u>44,000</u>	<u>166,979</u>	<u>58,869</u>	<u>108,110</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(126,979)</u>	<u>(17,059)</u>	<u>109,920</u>
Other financing sources (uses):				
Designated cash	-	126,979	-	(126,979)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>135,460</u>	<u>135,460</u>
Total other financing sources (uses)	<u>-</u>	<u>126,979</u>	<u>135,460</u>	<u>8,481</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>118,401</u>	<u>118,401</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,401</u>	<u>\$ 118,401</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - LOVING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 33,000	\$ 31,500	\$ 31,518	\$ 18
Total revenues	<u>33,000</u>	<u>31,500</u>	<u>31,518</u>	<u>18</u>
Expenditures:				
Public safety	-	13,000	3,044	9,956
Capital outlay	<u>33,000</u>	<u>173,004</u>	<u>-</u>	<u>173,004</u>
Total expenditures	<u>33,000</u>	<u>186,004</u>	<u>3,044</u>	<u>182,960</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(154,504)</u>	<u>28,474</u>	<u>182,978</u>
Other financing sources (uses):				
Designated cash	-	154,504	-	(154,504)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>160,276</u>	<u>160,276</u>
Total other financing sources (uses)	<u>-</u>	<u>154,504</u>	<u>160,276</u>	<u>5,772</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>188,750</u>	<u>188,750</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,750</u>	<u>\$ 188,750</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - HOPE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 33,000	\$ 31,500	\$ 31,518	\$ 18
Total revenues	<u>33,000</u>	<u>31,500</u>	<u>31,518</u>	<u>18</u>
Expenditures:				
Public safety	-	12,923	17,938	(5,015)
Capital outlay	<u>33,000</u>	<u>63,463</u>	<u>-</u>	<u>63,463</u>
Total expenditures	<u>33,000</u>	<u>76,386</u>	<u>17,938</u>	<u>58,448</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(44,886)</u>	<u>13,580</u>	<u>58,466</u>
Other financing sources (uses):				
Designated cash	-	44,886	-	(44,886)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>50,735</u>	<u>50,735</u>
Total other financing sources (uses)	<u>-</u>	<u>44,886</u>	<u>50,735</u>	<u>5,849</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>64,315</u>	<u>64,315</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,315</u>	<u>\$ 64,315</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - SUN COUNTRY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Capital outlay	<u>276,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>276,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(210,000)</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Other financing sources (uses):				
Operating transfers in (out)	<u>210,000</u>	<u>210,000</u>	<u>11,543</u>	<u>(198,457)</u>
Total other financing sources (uses)	<u>210,000</u>	<u>210,000</u>	<u>11,543</u>	<u>(198,457)</u>
Net changes in fund balance	<u>-</u>	<u>273,000</u>	<u>74,580</u>	<u>(198,420)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 273,000</u>	<u>\$ 74,580</u>	<u>\$ (198,420)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE - MALAGA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 66,000	\$ 63,000	\$ 63,037	\$ 37
Total revenues	<u>66,000</u>	<u>63,000</u>	<u>63,037</u>	<u>37</u>
Expenditures:				
Public safety	-	13,000	21,798	(8,798)
Capital outlay	<u>66,000</u>	<u>189,663</u>	<u>134,023</u>	<u>55,640</u>
Total expenditures	<u>66,000</u>	<u>202,663</u>	<u>155,821</u>	<u>46,842</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(139,663)</u>	<u>(92,784)</u>	<u>46,879</u>
Other financing sources (uses):				
Designated cash	-	139,663	-	(139,663)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>151,206</u>	<u>151,206</u>
Total other financing sources (uses)	<u>-</u>	<u>139,663</u>	<u>151,206</u>	<u>11,543</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>58,422</u>	<u>58,422</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,422</u>	<u>\$ 58,422</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**SHERIFF'S SPECIAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance - beginning of year	\$ -	-	\$ 8,547	\$ 8,547
Fund balance - end of year	\$ -	\$ -	\$ 8,547	\$ 8,547

See accompanying notes to financial statements.

CAPITAL PROJECTS FUNDS

**STATE OF NEW MEXICO
EDDY COUNTY**

**LEGISLATIVE APPROPRIATIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Federal operating grants	\$ 4,935,555	\$ 5,327,988	\$ 1,555,772	\$ (3,772,216)
Total revenues	<u>4,935,555</u>	<u>5,327,988</u>	<u>1,555,772</u>	<u>(3,772,216)</u>
Expenditures:				
General government	<u>4,935,555</u>	<u>4,187,184</u>	<u>1,287,881</u>	<u>2,899,303</u>
Total expenditures	<u>4,935,555</u>	<u>4,187,184</u>	<u>1,287,881</u>	<u>2,899,303</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,140,804</u>	<u>267,891</u>	<u>(872,913)</u>
Net changes in fund balance	-	1,140,804	267,891	(872,913)
Fund balance - beginning of year	-	-	(225,619)	(225,619)
Fund balance - end of year	<u>\$ -</u>	<u>\$ 1,140,804</u>	<u>\$ 42,272</u>	<u>\$ (1,098,532)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**COMMUNICATION CENTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State operating grants	\$ 40,000	\$ 574,829	\$ 245,679	\$ (329,150)
Total revenues	<u>40,000</u>	<u>574,829</u>	<u>245,679</u>	<u>(329,150)</u>
Expenditures:				
Public safety	<u>91,841</u>	<u>631,537</u>	<u>606,938</u>	<u>24,599</u>
Total expenditures	<u>91,841</u>	<u>631,537</u>	<u>606,938</u>	<u>24,599</u>
Excess (deficiency) of revenues over expenditures	<u>(51,841)</u>	<u>(56,708)</u>	<u>(361,259)</u>	<u>(304,551)</u>
Other financing sources (uses):				
Designated cash	-	56,708	-	(56,708)
Operating transfers in (out)	<u>60,000</u>	<u>-</u>	<u>385,000</u>	<u>385,000</u>
Total other financing sources (uses)	<u>60,000</u>	<u>56,708</u>	<u>385,000</u>	<u>328,292</u>
Net changes in fund balance	8,159	-	23,741	23,741
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>58,204</u>	<u>58,204</u>
Fund balance - end of year	<u>\$ 8,159</u>	<u>\$ -</u>	<u>\$ 81,945</u>	<u>\$ 81,945</u>

See accompanying notes to financial statements.

DEBT SERVICE FUNDS

**STATE OF NEW MEXICO
EDDY COUNTY**

**COURT HOUSE GROSS RECEIPTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Gross receipts	\$ -	\$ -	\$ 3,265	\$ 3,265
Total revenues	-	-	3,265	3,265
Excess (deficiency) of revenues over expenditures	-	-	3,265	3,265
Net changes in fund balance	-	-	3,265	3,265
Fund balance - beginning of year	-	-	1,000,000	1,000,000
Fund balance - end of year	\$ -	\$ -	\$ 1,003,265	\$ 1,003,265

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**NMFA INTERCEPT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety	\$ -	\$ -	\$ 21,328	\$ (21,328)
Total expenditures	-	-	21,328	(21,328)
Excess (deficiency) of revenues over expenditures	-	-	(21,328)	(21,328)
Net changes in fund balance	-	-	(21,328)	(21,328)
Fund balance - beginning of year	-	-	21,328	21,328
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**FIRE EXCISE TAX - GROSS RECEIPTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Gross receipts	\$ 1,298,000	\$ 1,298,000	\$ 1,229,219	\$ (68,781)
Total revenues	<u>1,298,000</u>	<u>1,298,000</u>	<u>1,229,219</u>	<u>(68,781)</u>
Expenditures:				
Current:				
Public safety	526,000	1,158,783	1,284,902	(126,119)
Capital outlay	<u>3,195,290</u>	<u>2,516,479</u>	<u>297,806</u>	<u>2,218,673</u>
Total expenditures	<u>3,721,290</u>	<u>3,675,262</u>	<u>1,582,708</u>	<u>2,092,554</u>
Excess (deficiency) of revenues over expenditures	<u>(2,423,290)</u>	<u>(2,377,262)</u>	<u>(353,489)</u>	<u>2,023,773</u>
Other financing sources (uses):				
Designated cash	2,423,290	2,377,262	-	(2,377,262)
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(580,247)</u>	<u>(580,247)</u>
Total other financing sources (uses)	<u>2,423,290</u>	<u>2,377,262</u>	<u>(580,247)</u>	<u>(2,957,509)</u>
Net changes in fund balance	-	-	(933,736)	(933,736)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>3,166,285</u>	<u>3,166,285</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232,549</u>	<u>\$ 2,232,549</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO
EDDY COUNTY**

**CAPITAL IMPROVEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Gross receipts	\$ 600,000	\$ 620,000	\$ 765,777	\$ 145,777
Miscellaneous	10,000	10,000	-	(10,000)
Total revenues	<u>610,000</u>	<u>630,000</u>	<u>765,777</u>	<u>135,777</u>
Expenditures:				
Current:				
Capital outlay	<u>424,508</u>	<u>371,349</u>	<u>290,688</u>	<u>80,661</u>
Total expenditures	<u>424,508</u>	<u>371,349</u>	<u>290,688</u>	<u>80,661</u>
Excess (deficiency) of revenues over expenditures	<u>185,492</u>	<u>258,651</u>	<u>475,089</u>	<u>216,438</u>
Net changes in fund balance	185,492	258,651	475,089	216,438
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>3,605,027</u>	<u>3,605,027</u>
Fund balance - end of year	<u>\$ 185,492</u>	<u>\$ 258,651</u>	<u>\$ 4,080,116</u>	<u>\$ 3,821,465</u>

See accompanying notes to financial statements.

FIDUCIARY FUNDS

**STATE OF NEW MEXICO
EDDY COUNTY**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
ASSETS:				
Cash and cash equivalents	\$ 1,342,307	\$ 848,888	\$ -	\$ 2,191,195
Receivables:				
Property taxes	1,570,790	17,345	-	1,588,135
Other	1,568,245	-	355,296	1,212,949
	<u>4,481,342</u>	<u>866,233</u>	<u>355,296</u>	<u>4,992,279</u>
Total assets	4,481,342	866,233	355,296	4,992,279
LIABILITIES:				
Due to other governmental agency	\$ 4,481,342	\$ 510,937	\$ -	\$ 4,992,279
	<u>4,481,342</u>	<u>510,937</u>	<u>-</u>	<u>4,992,279</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS
JUNE 30, 2008

	Carlsbad National Bank	Artesia National Bank	Western Bank	Pioneer Bank	Western Commerce Bank	Wells Fargo Bank
Total amount of deposits	\$ 12,111,224	\$ 4,010,112	\$ 3,400,000	\$ 3,400,000	\$ 3,748,276	\$ 3,505,360
Less FDIC or FSLIC coverage	200,000	200,000	100,000	100,000	200,000	105,360
Total uninsured public Funds	11,911,224	3,810,112	3,300,000	3,300,000	3,548,276	3,400,000
Collateral requirement 50%	5,955,612	1,905,056	1,650,000	1,650,000	1,774,138	1,700,000

Type of Security	Security Number	CUSIP Number	Maturity Date
FHLB 1277	3133XDT84		12/11/2009
FHLB 1260	3133XCSA2		9/12/2008
FHLB 1256	3133M7V37		3/3/2009
FHLB 1270	3133X7SH8		5/15/2009
FHLB 1255	3133X8EL2		8/18/2009
FHLB 1264	3133XDTA9		12/10/2010
FHLB 1263	31331VGB6		9/22/2009
FHLB 1292	3133XCA78		7/7/2010
FNMA 681414	31400AAP3		3/1/2018
FNMA 780373	31404V6J2		6/1/2019
FNMA 685946	31400FBP1		9/1/2032
FFCB Callable	31331X2C5		9/8/2017
FNMA 2523886	31371HJ74		4/1/2019
Torrance City			
891398AV1	891398AV1		8/1/2011
FNMA 255163	36203N2K3		5/15/2023
FNMA 255163	31371LML0		3/1/2014
FNMA 255325	31371LSN0		7/1/2011
GNMA 80899	36225C7M2		5/20/2034
FNMA 899240	31410WBH0		3/1/2022
FNMA 3-1 7/1/33	1B0951		7/1/2033
FNMA 1 YR TR	648558		6/1/2032
FNMA ARM 9/1/32	661745		9/1/2032
FNMA 1 YR CMT	696460		4/1/2033
FNMA 1 YR CMT	780385		6/1/2034
FHLMC 1 YR CMT	781721		7/1/2034
FHLMC 1 YR CMT	782847		11/1/2034

Continued

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS
JUNE 30, 2008

Type of Security Security Number	CUSIP Number	Maturity Date	Carlsbad National Bank	Artesia National Bank	Western Bank	Pioneer Bank	Western Commerce Bank	Wells Fargo Bank
FHLMC 1 YR TR	847032	7/1/2032	-	-	-	103,030	-	-
FNMA-LIBOR	91-156F	11/25/2021	-	-	-	56,550	-	-
GNMA 8004 A	36202J3M8	7/20/2022	-	-	-	-	33,364	-
GNMA 8089 B	36202J7A0	12/20/2022	-	-	-	-	20,185	-
GNMA 8120	36202KAV7	1/20/2023	-	-	-	-	32,623	-
GNMA 8157	36202KKB20	3/20/2023	-	-	-	-	31,468	-
GNMA 8175	36202KCL7	4/20/2023	-	-	-	-	22,241	-
GNMA 8954	36202K5P6	4/20/2022	-	-	-	-	56,924	-
GNMA 2716m	36202DAR2	2/20/2029	-	-	-	-	31,069	-
GNMA 780656	36225AWR7	10/15/2027	-	-	-	-	69,955	-
GNMA 375005	36204NR25	12/15/2023	-	-	-	-	101,651	-
GNMA 2701	36202DAA9	1/20/2029	-	-	-	-	111,384	-
GNMA 8850	36202KZP3	4/20/2026	-	-	-	-	79,445	-
GNMA 8877	36202K2J3	5/20/2026	-	-	-	-	74,890	-
GNMA 80635	36225CV52	9/20/2032	-	-	-	-	159,603	-
GNMA 8321	36202KG66	2/20/2018	-	-	-	-	281,309	-
GNMA 80507	36225CR57	4/20/2031	-	-	-	-	186,876	-
GNMA 8634	36202KSX4	5/20/2025	-	-	-	-	100,167	-
GNMA 3215	36202DSC6	3/20/2032	-	-	-	-	172,472	-
GNMA 80628	36225CVW3	8/20/2032	-	-	-	-	160,478	-
GNMA 8765	36202KW27	12/20/2025	-	-	-	-	49,805	-
GNMA 780615	36225AVG2	8/15/2027	-	-	-	-	72,613	-
GNMA 80664	36225CW28	1/20/2033	-	-	-	-	203,060	-
FNCL 831480	31407HXH4	4/1/2036	-	-	-	-	-	2,243,769
Los Lunas NM - AMBAC INSD	545559CR5	4/1/2011	-	-	-	-	-	-
FHLB 1 Time Call 9/8/11	3133XGSE5	9/8/2016	-	-	-	-	-	-
MBS FHLMC E97112	3128H43V9	5/1/2018	-	-	-	-	-	-
MBS GNMA 1598683	36200ECU3	5/15/2018	-	-	-	-	-	-

Continued

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS
JUNE 30, 2008

Type of Security	Security Number	CUSIP Number	Maturity Date	Carlsbad National Bank	Artesia National Bank	Western Bank	Pioneer Bank	Western Commerce Bank	Wells Fargo Bank
MBS FHLMC	MR30291	31282CKCO	7/1/2018	-	-	-	-	-	-
MBS GNMA	798046	31405STB0	1/1/2020	-	-	-	-	-	-
Total pledged securities				8,167,069	2,710,106	1,826,966	1,958,869	2,051,582	2,243,769
Over (under) pledged				\$ 2,211,457	\$ 805,050	\$ 176,966	\$ 308,869	\$ 277,444	\$ 543,769

Continued

**STATE OF NEW MEXICO
EDDY COUNTY**

**SUPPLEMENTAL SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF
PUBLIC FUNDS
JUNE 30, 2008**

	First National Bank	Total
Total amount of deposits	\$ 3,800,000	\$ 33,974,972
Less FDIC or FSLIC coverage	100,000	1,005,360
Total uninsured public Funds	3,700,000	32,969,612
Collateral requirement 50%	1,850,000	16,484,806

Type of Security Security Number	CUSIP Number	Maturity Date		
FHLB 1277	3133XDT84	12/11/2009	-	1,026,021
FHLB 1260	3133XCSA2	9/12/2008	-	1,004,866
FHLB 1256	3133M7V37	3/3/2009	-	1,022,595
FHLB 1270	3133X7SH8	5/15/2009	-	1,014,975
FHLB 1255	3133X8EL2	8/18/2009	-	1,010,259
FHLB 1264	3133XDTA9	12/10/2010	-	1,036,156
FHLB 1263	31331VGB6	9/22/2009	-	1,024,074
FHLB 1292	3133XCA78	7/7/2010	-	1,028,123
FNMA 681414	31400AAP3	3/1/2018	-	700,549
FNMA 780373	31404V6J2	6/1/2019	-	832,490
FNMA 685946	31400FBP1	9/1/2032	-	263,595
FFCB Callable	31331X2C5	9/8/2017	-	913,472
FNMA 2523886	31371HJ74	4/1/2019	-	61,481
Torrance City				
891398AV1	891398AV1	8/1/2011	-	257,473
FNMA 255163	36203N2K3	5/15/2023	-	73,030
FNMA 255163	31371LML0	3/1/2014	-	238,056
FNMA 255325	31371LSN0	7/1/2011	-	515,558
GNMA 80899	36225C7M2	5/20/2034	-	269,500
FNMA 899240	31410WBH0	3/1/2022	-	411,868
FNMA 3-1 7/1/33	1B0951	7/1/2033	-	136,052
FNMA 1 YR TR	648558	6/1/2032	-	1,080
FNMA ARM 9/1/32	661745	9/1/2032	-	38,776
FNMA 1 YR CMT	696460	4/1/2033	-	55,089
FNMA 1 YR CMT	780385	6/1/2034	-	348,968
FHLMC 1 YR CMT	781721	7/1/2034	-	967,222
FHLMC 1 YR CMT	782847	11/1/2034	-	252,102
FHLMC 1 YR TR	847032	7/1/2032	-	103,030
FNMA-LIBOR	91-156F	11/25/2021	-	56,550
GNMA 8004 A	36202J3M8	7/20/2022	-	33,364
GNMA 8089 B	36202J7A0	12/20/2022	-	20,185
GNMA 8120	36202KAV7	1/20/2023	-	32,623
GNMA 8157	36202KB20	3/20/2023	-	31,468
GNMA 8175	36202KCL7	4/20/2023	-	22,241
GNMA 8954	36202K5P6	4/20/2022	-	56,924
GNMA 2716m	36202DAR2	2/20/2029	-	31,069
GNMA 780656	36225AWR7	10/15/2027	-	69,955
GNMA 375005	36204NR25	12/15/2023	-	101,651
GNMA 2701	36202DAA9	1/20/2029	-	111,384
GNMA 8850	36202KZP3	4/20/2026	-	79,445
GNMA 8877	36202K2J3	5/20/2026	-	74,890
GNMA 80635	36225CV52	9/20/2032	-	159,603

Continued

**STATE OF NEW MEXICO
EDDY COUNTY**

**SUPPLEMENTAL SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF
PUBLIC FUNDS
JUNE 30, 2008**

<u>Type of Security</u>	<u>Security Number</u>	<u>CUSIP Number</u>	<u>Maturity Date</u>	<u>First National Bank</u>	<u>Total</u>
GNMA 8321		36202KG66	2/20/2018	-	281,309
GNMA 80507		36225CR57	4/20/2031	-	186,876
GNMA 8634		36202KSX4	5/20/2025	-	100,167
GNMA 3215		36202DSC6	3/20/2032	-	172,472
GNMA 80628		36225CVW3	8/20/2032	-	160,478
GNMA 8765		36202KW27	12/20/2025	-	49,805
GNMA 780615		36225AVG2	8/15/2027	-	72,613
GNMA 80664		36225CW28	1/20/2033	-	203,060
FNCL 831480		31407HXH4	4/1/2036	-	2,243,769
Los Lunas NM - AMBAC INSD		545559CR5	4/1/2011	100,133	100,133
FHLB 1 Time Call 9/8/11		3133XGSE5	9/8/2016	770,079	770,079
MBS FHLMC E97112		3128H43V9	5/1/2018	437,299	437,299
MBS GNMA I598683		36200ECU3	5/15/2018	116,283	116,283
MBS FHLMC MR30291		31282CKCO	7/1/2018	102,823	102,823
MBS GNMA 798046		31405STB0	1/1/2020	<u>328,836</u>	<u>328,836</u>
Total pledged securities				<u>1,855,453</u>	<u>20,813,814</u>
Over (under) pledged				<u>\$ 5,453</u>	<u>\$ 4,329,008</u>

Concluded

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS
JUNE 30, 2008

Deposit or Investment Account Type	Carlsbad National Bank	Artesia National Bank	Western Bank	Pioneer Bank	Western Commerce Bank	Wells Fargo Bank	First National Bank
Certificate of deposit	\$ 1,000,000	\$ 600,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 800,000	\$ 500,000
Certificate of deposit	500,000	500,000	600,000	500,000	500,000	500,000	500,000
Certificate of deposit	500,000	500,000	300,000	500,000	500,000	500,000	500,000
Certificate of deposit	500,000	1,000,000	500,000	500,000	500,000	500,000	500,000
Certificate of deposit	1,000,000	1,000,000	500,000	500,000	600,000	600,000	500,000
Certificate of deposit	500,000	-	500,000	500,000	500,000	600,000	300,000
Certificate of deposit	500,000	-	500,000	400,000	500,000	-	500,000
Certificate of deposit	500,000	-	-	-	-	-	500,000
Certificate of deposit	1,000,000	-	-	-	-	-	-
Certificate of deposit	750,753	-	-	-	-	-	-
Certificate of deposit	169,572	-	-	-	-	-	-
Certificate of deposit	12,285	-	-	-	-	-	-
Certificate of deposit	929,084	-	-	-	-	-	-
Certificate of deposit	15,075	-	-	-	-	-	-
Checking account	4,234,255	410,112	-	-	148,276	5,360	-
Checking account	200	-	-	-	-	-	-
Amounts on deposit	12,111,224	4,010,112	3,400,000	3,400,000	3,748,276	3,505,360	3,800,000
Outstanding items	(817,450)	1,151	-	-	-	140	-
Cash on hand	-	-	-	-	-	-	-
	<u>\$ 11,293,774</u>	<u>\$ 4,011,263</u>	<u>\$ 3,400,000</u>	<u>\$ 3,400,000</u>	<u>\$ 3,748,276</u>	<u>\$ 3,505,500</u>	<u>\$ 3,800,000</u>

Continued

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS
JUNE 30, 2008

Deposit or Investment Account Type	Government Investment		Total
	Pool	Pool	
Certificate of deposit	\$ -	\$ 4,400,000	
Certificate of deposit	-	3,600,000	
Certificate of deposit	-	3,300,000	
Certificate of deposit	-	4,000,000	
Certificate of deposit	-	4,700,000	
Certificate of deposit	-	2,900,000	
Certificate of deposit	-	2,400,000	
Certificate of deposit	-	1,000,000	
Certificate of deposit	-	1,000,000	
Certificate of deposit	-	750,753	
Certificate of deposit	-	169,572	
Certificate of deposit	-	12,285	
Certificate of deposit	-	929,084	
Certificate of deposit	-	15,075	
Checking account	-	4,798,003	
Checking account	-	200	
NM State Investment Pool	600,000	600,000	
NM State Investment Pool	1,300,000	1,300,000	
NM State Investment Pool	1,100,000	1,100,000	
NM State Investment Pool	1,000,000	1,000,000	
NM State Investment Pool	1,000,000	1,000,000	
NM State Investment Pool	3,000,000	3,000,000	
NM State Investment Pool	4,000,000	4,000,000	
Amounts on deposit	12,000,000	45,974,972	
Outstanding items	-	(816,159)	
Cash on hand	-	1,400	
	\$ 12,000,000	\$ 45,160,213	

STATE OF NEW MEXICO
 EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF TAX ROLL RECONCILIATION - PROPERTY TAXES RECEIVABLE
 JUNE 30, 2008

Property taxes receivable, beginning of year	\$ 1,570,790
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	20,856,048
Adjustments:	
Taxes paid in advance	21,842
Additions	69,139
Deletions	<u>(74,607)</u>
Total taxes charged to Treasurer for fiscal year	<u>20,872,422</u>
Total receivables before collections	22,443,212
Collections for fiscal year June 30, 2008	<u>(20,075,462)</u>
	<u>\$ 2,367,750</u>
Property taxes receivable by years:	
2000	\$ 676
2001	871
2002	3,220
2003	46
2004	894
2005	155,323
2006	825,121
2007	<u>1,381,599</u>
	<u>\$ 2,367,750</u>

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF TAX ROLL RECONCILIATION
JUNE 30, 2008

	Taxes Receivable 7/1/07	Net Taxes Charged to Treasurer	Collections	Taxes Receivable 6/30/08	Distributions
Delinquent taxes	\$ 773	\$ 51,802	\$ 53,581	\$ (1,006)	\$ 30,737
State of New Mexico	85,950	1,206,838	1,173,833	118,955	1,162,095
Eddy County Funds:					
County operations	486,189	7,089,730	6,877,511	698,408	6,808,737
EDFD	17,709	326,190	277,164	66,735	274,392
Municipalities:					
Carlsbad	102,301	1,739,333	1,754,291	87,343	1,736,748
Loving	934	9,538	9,477	995	9,382
Artesia/Hope	88,278	447,625	374,666	161,237	370,921
Schools:					
Carlsbad	118,717	3,355,231	3,370,174	103,774	3,336,473
Loving	5,174	144,688	144,930	4,932	144,470
Artesia	341,747	2,860,353	2,629,002	573,098	2,602,713
NMSU-C	18,932	567,960	569,715	17,177	569,715
Artesia General Hospital	248,797	2,157,968	1,981,353	425,412	1,961,539
State Specials: Livestock	8,615	71,147	78,923	839	78,134
Hackberry Draw	919	9,815	7,345	3,389	11,590
Pecos Valley Conservatory	26,615	498,719	434,474	90,860	430,130
Cottonwood Walnut Creek	3,236	56,526	58,027	1,735	55,126
CSWC	14,424	245,642	247,278	12,788	234,913
CVSWC Conservatory	1,234	30,066	30,455	845	28,932
PSWC	246	3,251	3,263	234	3,100
	<u>\$ 1,570,790</u>	<u>\$ 20,872,422</u>	<u>\$ 20,075,462</u>	<u>\$ 2,367,750</u>	<u>\$ 19,849,847</u>

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF PROPERTY TAX
JUNE 30, 2008

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Distributed To-Date	Distributed To-Date
State of New Mexico							
1998-2006	\$ 8,858,811	\$ 2,976	\$ 8,884,807	\$ 2,945	\$ 8,795,960	\$ -	\$ 49,829
2007	1,208,843	16,336	1,139,825	16,172	1,128,426	-	66,624
	<u>10,067,654</u>	<u>19,312</u>	<u>10,024,632</u>	<u>19,117</u>	<u>9,924,386</u>	<u>-</u>	<u>116,453</u>
Eddy County							
1998-2006	45,423,302	16,411	45,617,406	16,247	45,161,232	-	302,563
2007	7,099,460	93,449	6,693,731	92,515	6,626,794	-	395,845
	<u>52,522,762</u>	<u>109,860</u>	<u>52,311,137</u>	<u>108,762</u>	<u>51,788,026</u>	<u>-</u>	<u>698,408</u>
Municipalities:							
City of Carlsbad							
1998-2006	10,921,215	6,722	10,880,619	6,654	10,771,813	-	19,281
2007	1,748,284	40,527	1,671,346	40,122	1,654,632	-	68,062
	<u>12,669,499</u>	<u>47,249</u>	<u>12,551,965</u>	<u>46,776</u>	<u>12,426,445</u>	<u>-</u>	<u>87,343</u>
Loving							
1998-2006	66,448	60	65,763	59	65,105	-	193
2007	9,627	320	8,803	317	8,715	-	802
	<u>76,075</u>	<u>380</u>	<u>74,566</u>	<u>376</u>	<u>73,820</u>	<u>-</u>	<u>995</u>
City of Artesia							
1998-2006	2,308,435	329	2,209,688	326	2,187,592	-	79,124
2007	443,400	3,679	361,294	3,642	357,681	-	81,893
	<u>2,751,835</u>	<u>4,008</u>	<u>2,570,982</u>	<u>3,968</u>	<u>2,545,273</u>	<u>-</u>	<u>161,017</u>
Hope							
1998-2006	37,611	-	37,086	-	36,716	-	33
2007	4,579	75	4,354	74	4,310	-	186
	<u>42,190</u>	<u>75</u>	<u>41,440</u>	<u>74</u>	<u>41,026</u>	<u>-</u>	<u>219</u>
Total Municipalities	<u>15,539,599</u>	<u>51,712</u>	<u>15,238,953</u>	<u>51,194</u>	<u>15,086,564</u>	<u>-</u>	<u>249,574</u>

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF PROPERTY TAX
JUNE 30, 2008

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Distributed To-Date	Distributed To-Date
Schools:							
Carlsbad Schools							
1998-2006	24,973,985	7,752	25,357,727	7,675	25,104,151	-	21,921
2007	3,363,466	47,758	3,273,657	47,280	3,240,920	-	81,853
	<u>28,337,451</u>	<u>55,510</u>	<u>28,631,384</u>	<u>54,955</u>	<u>28,345,071</u>	-	<u>103,774</u>
Loving Schools							
1998-2006	1,407,220	223	1,406,738	221	1,392,670	-	1,444
2007	146,090	1,770	142,397	1,753	140,973	-	3,488
	<u>1,553,310</u>	<u>1,993</u>	<u>1,549,135</u>	<u>1,974</u>	<u>1,533,643</u>	-	<u>4,932</u>
Artesia Schools							
1998-2006	16,575,873	7,201	16,269,304	7,129	16,106,612	-	275,367
2007	2,858,433	35,676	2,559,770	35,319	2,534,172	-	297,731
	<u>19,434,306</u>	<u>42,877</u>	<u>18,829,074</u>	<u>42,448</u>	<u>18,640,784</u>	-	<u>573,098</u>
NMSU-Carlsbad							
1998-2006	3,729,180	1,215	3,795,164	1,215	3,795,164	-	3,531
2007	569,296	8,023	554,346	8,023	554,346	-	13,646
	<u>4,298,476</u>	<u>9,238</u>	<u>4,349,510</u>	<u>9,238</u>	<u>4,349,510</u>	-	<u>17,177</u>
Total Schools	<u>53,623,543</u>	<u>109,618</u>	<u>53,359,103</u>	<u>108,615</u>	<u>52,869,008</u>	-	<u>698,981</u>
Artesia General Hospital							
1998-2006	8,116,491	5,366	7,891,708	5,311	7,812,790	-	201,338
2007	2,156,450	26,993	1,931,736	26,724	1,912,419	-	224,074
	<u>10,272,941</u>	<u>32,359</u>	<u>9,823,444</u>	<u>32,035</u>	<u>9,725,209</u>	-	<u>425,412</u>
Livestock							
1998-2006	507,270	-	502,623	-	497,597	-	170
2007	71,390	3,926	70,704	3,887	69,997	-	669
	<u>578,660</u>	<u>3,926</u>	<u>573,327</u>	<u>3,887</u>	<u>567,594</u>	-	<u>839</u>
Hackberry Draw							
1998-2006	11,456	53	18,537	51	22,223	-	2,683
2007	7,309	160	6,603	152	6,273	-	706
	<u>18,765</u>	<u>213</u>	<u>25,140</u>	<u>203</u>	<u>28,496</u>	-	<u>3,389</u>

STATE OF NEW MEXICO
EDDY COUNTY

SUPPLEMENTAL SCHEDULE OF PROPERTY TAX
JUNE 30, 2008

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Distributed To-Date	Distributed To-Date
Pecos Valley Conservatory (PVCD)							
1998-2006	2,350,416	1,541	2,329,146	1,525	2,305,855	-	14,330
2007	498,716	7,166	422,190	7,095	417,968	-	76,530
	<u>2,849,132</u>	<u>8,707</u>	<u>2,751,336</u>	<u>8,620</u>	<u>2,723,823</u>	-	<u>90,860</u>
EDFD							
1998-2006	1,659,062	331	1,645,376	328	1,628,922	-	10,438
2007	326,296	3,712	269,893	3,675	267,194	-	56,297
	<u>1,985,358</u>	<u>4,043</u>	<u>1,915,269</u>	<u>4,003</u>	<u>1,896,116</u>	-	<u>66,735</u>
Cottonwood Walnut Creek							
1998-2006	392,227	1,647	353,179	1,564	335,520	-	414
2007	56,525	2,609	55,205	2,479	52,445	-	1,321
	<u>448,752</u>	<u>4,256</u>	<u>408,384</u>	<u>4,043</u>	<u>387,965</u>	-	<u>1,735</u>
Carlsbad CSWC							
1998-2006	1,660,567	1,065	1,688,543	1,012	1,604,115	-	2,871
2007	245,988	5,698	235,725	5,413	223,939	-	9,917
	<u>1,906,555</u>	<u>6,763</u>	<u>1,924,268</u>	<u>6,425</u>	<u>1,828,054</u>	-	<u>12,788</u>
Central Valley SWCD							
1998-2006	201,995	304	202,242	289	192,130	-	187
2007	30,035	859	29,408	816	27,938	-	658
	<u>232,030</u>	<u>1,163</u>	<u>231,650</u>	<u>1,105</u>	<u>220,068</u>	-	<u>845</u>
Penasco (PSWC)							
1998-2006	25,802	-	25,732	1	24,445	-	78
2007	3,251	56	3,095	53	2,941	-	156
	<u>29,053</u>	<u>56</u>	<u>28,827</u>	<u>54</u>	<u>27,386</u>	-	<u>234</u>
Non-Rendering							
1998-2006	331,979	-	325,487	-	325,487	-	355
2007	30,310	1,514	28,129	1,514	28,129	-	1,142
	<u>362,289</u>	<u>1,514</u>	<u>353,616</u>	<u>1,514</u>	<u>353,616</u>	-	<u>1,497</u>
Grand Total	\$ 150,437,093	\$ 353,502	\$ 148,969,086	\$ 349,577	\$ 147,426,311	\$ -	\$ 2,367,750



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

Hector H. Balderas, New Mexico State Auditor
The Board of Commissioners
Eddy County
Carlsbad, New Mexico

Compliance

We have audited the compliance of Eddy County (the "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, 2008. The 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 the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion the 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, 2008.

Internal Control Over Compliance

The management of the 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 the County's internal control over compliance with the 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.

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 affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance 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 the internal control over compliance was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined above.

The report is intended solely for the information and use of the audit committee, management, others within the organization, County Commission, the Office of the New Mexico State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Smith & Tractor, LLP

November 13, 2008

SINGLE AUDIT SECTION

**STATE OF NEW MEXICO
EDDY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Contract/Grant Project/State Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
U.S. Department of Justice				
Passed Through Executive Office of the President				
High Intensity Drug Trafficking Area	16.579	I7PSNP564Z	\$ 256,943	\$ 415,688
High Intensity Drug Trafficking Area	16.579	I6PSNP564Z	240,945	5,983
High Intensity Drug Trafficking Area	16.579	I5PSNP564Z	15,000	<u>12,617</u>
				<u>434,288</u>
Passed Through Executive Office of the President				
Region VI Drug Task Force	16.579	Region VI 05 JAG	168,243	9,043
Region VI Drug Task Force	16.579	Region VI 06 JAG	168,243	158,474
Region VI Drug Task Force	16.579	Region VI 07 JAG	168,243	<u>117,774</u>
				<u>285,291</u>
Total U.S. Department of Justice				<u>719,579</u>
U.S. Department of Homeland Security Office of Domestic Preparedness				
EMPG Grant	97.004	2006-GE-T6-0064	943,000	316,760
Equipment Grant	97.004	2006-GE-T5-0064	793,000	1,653
Equipment Grant	97.004	2006-GE-T4-0005	1,311,850	291
Equipment Grant	97.004	FY04 2007 T&E	27,100	5,097
Equipment Grant	97.004	FY04 T&E	29,000	<u>28,108</u>
				<u>351,909</u>
U.S. Department of Housing and Urban Development				
Passed Through State of New Mexico Department of Finance and Administration				
Community Development Block Grant	14.228	06-C-NR-I-06-G62	50,000	<u>15,679</u>
Total Expenditures of Federal Awards				<u>\$ 1,087,167</u>

**STATE OF NEW MEXICO
EDDY COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the Eddy County (the "County"). The County is defined in Note 1 of the County's financial Statements. All federal awards received, including those received through other agencies are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 of the County's financial statements

**STATE OF NEW MEXICO
EDDY COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes No
 Significant deficiencies identified that are not considered to
 be material weaknesses? Yes None
 Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No
 Significant deficiencies identified that are not considered to
 be material weaknesses? Yes None
 Reported

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 No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.579	High Intensity Drug Trafficking Area (HIDTA)
16.579	Region VI Drug Task Force

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

Auditee qualified as low-risk auditee? Yes No

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2005-1: Designated Cash Exceeded

Condition

The County budget exceeded the available cash balance in the following funds:

Recreation	\$ 9,354
Atoka Fire District	1,867
Happy Valley Fire District	4,743
Joel Fire District	56,408
CDBG - Colonias	98,472
Otis Fire District	48,422
EMS - Sun Country	637
HIDTA - Metro Agency	580
Region VI Task Force	89,995
Civil Emergency	762,843
Fire Excise - Cottonwood	472,772
Fire Excise - La Huerta	243,974
Fire Excise - Administration	8,578
Fire Excise - Malaga	139,663
White's City Fire District	2,647
EMS - Joel	1,366
Queen Fire District	2,325
Riverside Fire District	765
EMS - Riverside	1,078
EMS - Malaga	459
Fire Excise - Happy Valley	112,923
Fire Excise - Joel	156,669
Fire Excise - Otis	195,686
Fire Excise - Loco Hills	220,928
Fire Excise - White's City	110,994
Fire Excise - Riverside	291,415
Fire Excise - Loving	154,504
Fire Excise - Hope	44,886

Criteria

According to 2.2.2.10 NMCA if budgeted expenditures exceed budgeted revenues and the agency budget's cash or fund balance then that amount must not exceed the beginning fiscal year cash or fund balances.

Effect

The County budgeted expenditures that required designated cash that exceeded its beginning fund balance.

Cause

The cause of this condition appears to be inadequate monitoring of the County's budgeting procedures.

Recommendation

Budget for future years should be revised to insure all funds have adequate budget authority for appropriations. Greater attention should be given to the budget monitoring process.

Agency Response

County management recognizes the importance of budget monitoring. The exceeded budgetary expenditures are viewed as an apparent oversight, and management will put forth greater efforts to ensure that such oversights do not occur in the future.

2007-1: Preparation of Financial Statements

Condition

The financial statements and related disclosures are not being prepared by the County.

Criteria

According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures.

Effect

When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

Cause

The County's personnel do not have the time and have not been adequately trained in understanding the elements of external financial reporting, including the preparation of financial statements and related footnote disclosures.

Recommendation

We recommend County management and personnel receive training on understanding the requirements of external financial reporting.

The training should include, but not be limited to:

- Selection of appropriate accounting policies:
 - Governmental Accounting Standards Board (GASB).
 - Generally Accepted Accounting Principles (specifically as applied to governmental units).
 - Financial Accounting Standards Board (FASB).
- Understanding the financial reporting entity.
- Government wide financial statements.
- Fund financial statements.
- Notes to the financial statements.
- Required supplementary information.
 - Management's discussion and analysis.
- Supplementary information required by the Office of the State Auditor.

In addition, we recommend that the County develop and implement policies and procedures designed to prevent or detect possible misstatements in its financial statements and related footnote disclosures.

Agency Response

We will seek additional training for the Finance Director in the requirements for external reporting. The County of Eddy will continue to engage the external auditor to prepare the draft financial statements and related note disclosures, but will develop and implement additional procedures to capture, review and monitor the information essential to accurate and transparent financial reporting.

2007-4: Capital Assets Accounting

Condition

1. In several instances the acquired capital items were not incorporated into the capital assets inventory listing as separate line items. Rather, the value of the acquired item was added to a similar existing item.
2. Expenditures (progress billings) incurred on construction in progress projects are incorporated into the capital assets inventory listing when paid and depreciation expense is calculated, rather than until the construction project is completed and the capital asset is placed in service.
3. Capital items received through in-kind contributions are not recorded in the capital assets inventory listing at the fair market value (FMV) at the time of contribution. Rather, they are recorded, generally, at \$.01.
4. The County department heads are provided, on an annual basis, a capital assets inventory listing that includes all the capital assets known to be a part of their respective department to certify the capital assets physical existence and condition. However, in several instances, the certified capital assets inventory listings were not returned to the Fiscal Director's office.
5. In one instance the purchase price of a capital asset was reduced by the trade in amount of a like-kind capital asset.
6. The amounts reflected in the capital assets inventory listing for cost and accumulated depreciation do not agree with the balances reflected in the general ledger.
7. Capital assets are disposed of before the County Commissioners approve their disposal, as required by County approved policies and procedures. Furthermore, the disposal of capital assets are not reflected in the capital assets inventory listing as deletions until the County Commissioners approve their disposal.

Criteria

Best accounting practices require the application of a sound system of internal controls to provide the members of governance with reasonable assurance that County assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

Effect

The County's books or records may be at risk of containing material misstatements, as errors may occur and not be detected within a timely manner. The County may be incorrectly reporting capital assets to members of the governance body..

Cause

The County is not maintaining adequate records of the capital assets due to a lack of employee training and expertise, a lack of diligence in performing procedures, and a lack of proper supervision of the reconciliation process.

Recommendation

County management must develop, implement, and disseminate accounting policies and procedures for capital assets to ensure that the the value of the acquired capital assets, either through purchase or contribution, is properly recorded; to determine when the capital assets are placed in service; to determine the proper basis for calculating depreciation expense; to ensure that the subsidiary records agree with the books of record; and that the capital assets disposed of are properly and timely removed. County employees need proper training and direction regarding the verification and reconciliation of the capital assets records.

Agency Response

Eddy County will develop, implement, and disseminate accounting policies and procedures of capital assets to ensure that the value of the acquired capital assets, either through purchase or contribution, is properly recorded; to determine the proper basis for calculating depreciation expense; to ensure that the subsidiary records agree with the books of record; and that the capital assets disposed of are properly and timely removed. With the help of audit staff, Eddy County will receive proper training and direction regarding the above referenced items

C. FINDINGS - FEDERAL AWARDS

None

D. STATUS OF PRIOR YEAR FINDINGS

2005-1	Budgeting	Repeat
2006-4	Payroll Tax Reporting	Resolved
2006-5	I-9 Compliance	Resolved
2007-1	Preparation of Financial Statements	Repeat
2007-2	Travel and Per Diem	Resolved
2007-3	Bank Deposits	Resolved
2007-4	Capital Assets	Repeat

**STATE OF NEW MEXICO
EDDY COUNTY**

**EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2008**

An exit conference was conducted on November 14, 2008 in a closed meeting of the County Commissioners pursuant to Section 12-6-5 NMSA, 1978 with the following individuals in attendance:

Eddie County Officials

Allen Sartin
Debbie Penaluna
Lewis Derrick
Emma Salgado
Charlene Wright

County Manager
Finance Director
Commissioner
County Treasurer
Probate Judge

Strickler & Prieto, LLP

Milosh E. Filetto

In-Charge Accountant

Financial Statement Preparation

The County's independent public accountants prepared the accompanying financial statements; however, the County is responsible for the financial statement content.

**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**

Hector H. Balderas, New Mexico State Auditor
The Board of Commissioners
Eddy County
Carlsbad, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the fiduciary funds, the budgetary comparisons for the general fund and major special revenue and capital projects funds, and the combining and individual funds presented as supplementary information of Eddy County (the "County") as of and for the year ended June 30, 2008, and have issued our report thereon dated November 13, 2008. 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 the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A 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 affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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.

Our consideration of the 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 the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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**

Hector H. Balderas, New Mexico State Auditor
The Board of Commissioners
Eddy County
Carlsbad, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the fiduciary funds, the budgetary comparisons for the general fund and major special revenue and capital projects funds, and the combining and individual funds presented as supplementary information of Eddy County (the "County") as of and for the year ended June 30, 2008, and have issued our report thereon dated November 13, 2008. 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 the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A 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 affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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.

Our consideration of the 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 the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that are required to be reported under *Governmental Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings 2005-1, 2007-1 and 2007-4.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. 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 the County Commissioners, the County's management, the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

 Finkle & Fink, LLP

November 13, 2008

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas,
New Mexico State Auditor
The Office of Management and Budget and
The Board of Commissioners
Eddy County
Carlsbad, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the fiduciary fund of the Eddy County (the "County"), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, 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, each major fund, the aggregate remaining fund information, and the fiduciary fund of the County, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue and debt service 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 fund of the County as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 14 to the financial statements, the County's government-wide financial statements net assets as of the beginning of the fiscal year 2008 has been adjusted to correct certain errors resulting from the overstatement of financial instruments for previous years.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted 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 conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. 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 financial statements. The additional schedules listed as "Supplementary Information and Supporting Schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Finkle & Tractor, LLP

November 13, 2008

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

Hector H. Balderas, New Mexico State Auditor
The Board of Commissioners
Eddy County
Carlsbad, New Mexico

Compliance

We have audited the compliance of Eddy County (the "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, 2008. The 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 the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion the 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, 2008.

Internal Control Over Compliance

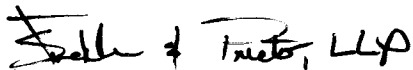
The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the 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.

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 affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance 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 the internal control over compliance was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined above.

The report is intended solely for the information and use of the audit committee, management, others within the organization, County Commission, the Office of the New Mexico State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Handwritten signature of John J. Fuchs, LLP

November 13, 2008