

INTRODUCTORY SECTION

RECEIVED

NOV 15 2006

STATE AUDITOR

RECEIVED

DEC 14 2006

STATE AUDITOR

(This page intentionally left blank.)

STATE OF NEW MEXICO  
EDDY COUNTY

OFFICIAL ROSTER  
June 30, 2006

<u>Name</u>	<u>Title</u>
Lucky Briggs	Chairman
Janell Whitlock	Vice-Chairman
Lewis Derrick	Member
Guy Lutman	Member
Julius Doubrava	Member
Steve Massey	County Manager
Jean Blenden	County Clerk
Emma Salgado	County Treasurer
Andrea Wilcox	County Assessor
Kent Waller	County Sheriff
Charlene Wright	Probate Judge

STATE OF NEW MEXICO  
EDDY COUNTY  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2006  
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Official Roster		iii
Table of Contents		iv
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		3
Management's Discussion and Analysis		5
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	15
Statement of Activities	A-2	16
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	18
Reconciliation of the Balance Sheet to the Statement of Net Assets		21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		24
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
General Fund	C-1	25
County Indigent	C-2	26
Jail Expansion Reserve	C-3	27
Legislative Appropriations	C-4	28
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	D	29
Notes to the Financial Statements		31
<b>SUPPLEMENTARY INFORMATION</b>		
<u>Statement/ Schedule</u>		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	76
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Special Revenue Funds:		
Farm and Range	A-3	90
Recreation	A-4	91
Environmental Services	A-5	92
Atoka Fire District	A-6	93
Cottonwood Fire District	A-7	94
Happy Valley Fire District	A-8	95
Joel Fire District	A-9	96
La Huerta Fire District	A-10	97
Loco Hills Fire District	A-11	98

STATE OF NEW MEXICO  
EDDY COUNTY

Otis Fire District	A-12	99
White's City Fire District	A-13	100
Property Valuation	A-14	101
EMS – Atoka	A-15	102
EMS – Loco Hills	A-16	103
EMS – Happy Valley	A-17	104
EMS – Joel	A-18	105
Sun Country Fire District	A-19	106
Queen Fire District	A-20	107
Riverside Fire District	A-21	108
EMS – Queen	A-22	109
EMS – Sun Country	A-23	110
HIDTA Grant-Metro Agency	A-24	111
EMS – Riverside	A-25	112
EMS – Cottonwood	A-26	113
EMS – Otis	A-27	114
GIS Grant	A-28	115
County Clerk Recording and Filing	A-29	116
EMS – Malaga	A-30	117
Treasurer's Collection Fund	A-31	118
Malaga Fire District	A-32	119
Healthier Services	A-33	120
Artesia Motor Vehicle	A-34	121
EMS – La Huerta	A-35	122
EMS – White's City	A-36	123
Law Enforcement Protection Act	A-37	124
Correction Fees	A-38	125
CDBG Colonias	A-39	126
Detention Fees	A-40	127
E-911 Addressing Program	A-41	128
Loop Road Reserve	A-42	129
Health Office Reserve	A-43	130
Protest Suspense	A-44	131
COPS Grant	A-45	132
Alternative Sentencing	A-46	133
Lodger's Tax	A-47	134
Eddy County DWI Fund	A-48	135
Traffic Safety Fund	A-49	136
Maternal and Child Health	A-50	137
Local Law Enforcement Block Grant	A-51	138
Pecos Valley Drug Task Force	A-52	139
Civil Emergency	A-53	140
Sheriff's Special	A-54	141
Artesia Eagle Draw	A-55	142
Region VI Task Force	A-56	143
Capital Projects Funds:		
Construction Fund	A-57	144
Fire Excise Tax- Gross Receipts	A-58	145
Capital Improvements	A-59	146
Debt Service Funds:		
Fire Excise Bond Payment 1996	A-60	147
Bond Payment Gross Receipts	A-61	148
Eddy County Bond – 1998	A-62	149
NMFA Intercept Fund	A-63	150
Courthouse Gross Receipts	A-64	151

STATE OF NEW MEXICO  
EDDY COUNTY

Total Other Funds	A-65	152
Statement of Changes in Fiduciary Assets and Liabilities	B	153
<b>SUPPORTING SCHEDULES</b>		
Schedule of Collateral Pledged For Public Funds	I	156
Schedule of Deposit and Investment Accounts	II	160
Tax Reconciliation – Property Taxes Receivable	III	164
Property Tax Schedule	IV	165
<b>COMPLIANCE SECTION</b>		
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>		169
<b>FEDERAL FINANCIAL ASSISTANCE</b>		
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133		173
Schedule of Expenditures of Federal Awards	V	175
Schedule of Findings and Questioned Costs	VI	177
<b>OTHER DISCLOSURES</b>		186

**FINANCIAL SECTION**

(This page intentionally left blank.)



## INDEPENDENT AUDITOR'S REPORT

Domingo P. Martinez, CGFM  
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, and the aggregate remaining fund information and the budgetary comparison statements of the major funds' activities of Eddy County (County) as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements and budgetary comparison 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, 2006 as listed in the table of contents. These financial statements are the responsibility of Eddy 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. 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 the 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, and the aggregate remaining fund information of Eddy County as of June 30, 2006, and the respective changes in financial position, thereof and the respective budgetary comparison statements for the General Fund, County Indigent Special Revenue Fund, Jail Expansion Reserve Special Revenue Fund, and the Legislative Appropriations Special Revenue Fund 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 Eddy County as of June 30, 2006, and the respective changes in financial position and budgetary comparison schedules for the remaining

DL  
12-15-06

nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2006 on our consideration of Eddy 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 5 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which 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 financial statements that collectively comprise Eddy County's basic financial statements and the combining and individual fund financial statements and the budgetary comparison 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 basic financial statements. The accompanying financial information listed as Statement B and supporting Schedules I through IV in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Eddy County. Such information has been subjected to the auditing procedures applied in the audit of the basic and each of the nonmajor governmental fund financial statements, and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Accounting & Consulting Group, LLP  
Accounting & Consulting Group, LLP  
Certified Public Accountants

Carlsbad, New Mexico  
October 30, 2006

10/31/06

**EDDY COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS**

This discussion and analysis of the County of Eddy's (County) financial performance provides and overview of the County's financial activities for the fiscal year ending June 30, 2006. The MD&A should be read in conjunction with the accompanying transmittal letter, 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 2006 by \$80,841,809 (net assets) for an increase of 24.0% over 2006. Of this amount, \$6,600,707 is restricted for specific purposes. As required by GASB 34, net assets also reflect \$50,621,235 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 \$32,606,399.
- Eddy County has no General Obligation Bond indebtedness.
- Oil & Gas production and equipment taxes were up 9.2% at \$12,505,236 for 2006.
- Payment In Lieu of Taxes for federal lands payment was up 1.9% at \$1,918,813 for 2006.
- Gross Receipts Taxes were up 41.4% at \$9,324,877 for 2006.
- Overall expenditures decreased 3.6%.
- Overall fund balance showed a 35.7% increase for 2006.

Of the County's total assets of \$85,420,847, the largest components are: (1) cash and investments of \$29,308,679 or 34.3%, and (2) capital assets net of accumulated depreciation of \$50,945,509 or 59.6%.

The County's net assets for fiscal year ended June 30, 2005 and 2006 are summarized as follows:

Governmental Activities		
	2005	2006
Current and other assets	\$ 25,150,547	\$ 34,475,338
Capital assets (net of depreciation)	43,658,370	50,945,509
Total assets	68,808,917	85,420,847
Current liabilities	862,520	1,791,748
Long-term liabilities	2,776,762	2,787,290
Total liabilities	3,639,282	4,579,038
 Net assets:		
Invested in capital assets, net of related debt	43,297,430	50,621,235
Restricted	5,525,235	6,600,707
Unrestricted	16,346,970	23,619,867
Total net assets	\$ 65,169,635	\$ 80,841,809

**EDDY COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS**

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

Fund	2004	2005	2006
General Fund	\$ 18,371	\$ 23,742	\$ 26,230
Environmental Services	748	861	1,463
Indigent Fund	1,644	1,600	2,792
Fire Excise Fund	793	1,372	2,495
Capital Improvements Fund	1,180	1,018	935

**EXPLANATION OF MAJOR REVENUE FUND DIFFERENCES**

General Fund – the increase in the general fund revenue from 2005 to 2006 is attributed to an increase in Gross receipts taxes collected.

Environmental Services – The gross receipts revenue has turned around over the past year showing an increase from 2005 to 2006. This is due mainly to increased activity in the oil and gas industry.

Indigent Fund – this fund is supported mainly through county wide gross receipts taxes which have shown a trend of increases due to oil and gas activity.

Fire Excise – The gross receipts revenue has turned around over the past year showing an increase from 2005 to 2006. This is due mainly to increased activity in the oil and gas industry.

Capital Improvements – This decrease is due to revenues being directed to other funds. The main revenue source for this fund is gross receipts tax.

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

	2004	2005	2006
Property Taxes	\$ 4,803	\$ 5,235	\$ 6,365
Oil and Gas Production	7,515	9,853	10,790
Oil and Gas Equipment	1,068	1,565	1,715
Interest on Investments	235	472	939
PILT	1,841	1,884	1,919
Indigent GRT	1,635	1,571	2,692
Environmental GRT	642	727	1,392
Fire Excise GRT	793	1,372	2,495

**EDDY COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS**

**EXPLANATION OF MAJOR REVENUE SOURCES**

Property Taxes (residential & non-residential) – the increase in property taxes is attributed to an increase in the overall property valuation. The county property tax rate has remained at 7.5 for over 16 years. Any deviation from that collection rate is determined by a state yield control formula which may reduce the collection rate on residential property.

Oil & Gas Production – the increase in Oil and Gas production is attributed to higher crude oil and natural gas prices.

Oil & Gas Equipment – this funding source showed a slight 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 increase in revenue from investments is attributed to the increase in interest rates. 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 turned around mainly due to increased activity in the oil and gas industry.

**CASH BALANCES ON JUNE 30**

2004	2005	2006
\$21,337	\$21,851	\$29,309

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

Fund	2004	2005	2006
General Fund	\$ 12,883	\$ 21,069	\$ 19,482
Environmental Services	594	1,180	700
Indigent Fund	1,665	2,464	2,158
Fire Excise Fund	344	614	2,387
Capital Improvements Fund	286	281	362

**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 \$5.4 million in taxes revenues due primarily to increased oil and gas activity, and an increase in the gross receipts tax.

There is a negative variance of \$9.2 million for interfund transfers due to the fact that the transfers out were not entered into the fund budget for the year.

**EDDY COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS**

**CAPITAL ASSETS ACTIVITY**

A summary of capital assets and changes occurring during the year ended June 30, 2006 follows. Land is not subject to depreciation.

	Balance (As Adjusted) See Note 13 June 30, 2005	Additions	Retirements	Balance June 30, 2006
Capital assets not being depreciated:				
Land	\$ 3,475,618	\$ 42,396	\$ -	\$ 3,518,014
Construction in progress	<u>156,402</u>	<u>847,074</u>	<u>156,402</u>	<u>847,074</u>
Total capital assets not being depreciated	<u>3,632,020</u>	<u>889,470</u>	<u>156,402</u>	<u>4,365,088</u>
Capital assets being depreciated:				
Landfill	686,696	-	-	686,696
Buildings and building improvements	23,001,589	1,249,326	-	24,250,915
Infrastructure	26,286,056	882,816	147,252	27,021,620
Equipment & furnishings	<u>18,305,691</u>	<u>2,636,281</u>	<u>332,707</u>	<u>20,609,265</u>
Total capital assets being depreciated	<u>68,280,032</u>	<u>4,768,423</u>	<u>479,959</u>	<u>72,568,496</u>
Less accumulated depreciation for:				
Buildings and building improvements	6,072,081	676,780	-	6,748,861
Infrastructure	7,451,316	1,075,643	50,066	8,476,893
Equipment & furnishings	<u>9,294,629</u>	<u>1,649,870</u>	<u>182,178</u>	<u>10,762,321</u>
Total accumulated depreciation	<u>22,818,026</u>	<u>3,402,293</u>	<u>232,244</u>	<u>25,988,075</u>
Total capital assets being depreciated, net	<u>45,462,006</u>	<u>1,366,130</u>	<u>247,715</u>	<u>46,580,421</u>
Governmental activities capital assets, net	<u>\$ 49,094,026</u>	<u>\$ 2,255,600</u>	<u>\$ 404,117</u>	<u>\$ 50,945,509</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  
MANAGEMENT DISCUSSION AND ANALYSIS**

**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

1,292

2004-2005 Expenditures

\$28,102,994

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 246 full time positioned employees, and an additional 17 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%

**EDDY COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS**

controlled by federal agencies such as the Bureau of Land Management, Bureau of Reclamation, National Park Service, Department of Energy and the U. S. Forrest 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 \$10.8 million this year, Gross Receipts taxes, which generate about \$6.4 million, and Payment In Lieu of Taxes (PILT) from the federal government which generated just over \$1.9 million. We also receive gasoline taxes, motor vehicle taxes, state fire funds along with various grants and reimbursements.

Eddy County ran a 2005/2006 general fund budget of approximately \$19,352,904. 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 \$29.4 million. There are over 50 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.



**EDDY COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS**

**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 & 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 remodel of the Historic Eddy County Courthouse was made possible through a 1/8% Gross Receipts Tax voted on by the Citizens of Eddy County. The tax is being used to pay off bonds issued through the New Mexico Finance Authority. Once these bonds have been retired, the tax will sunset. Through a partnership with the Carlsbad Schools, a temporary location at the old Eisenhower School was arranged for the courts during the remodel.

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.

**EDDY COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS**

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.

Budget priorities in the near future include paying off the jail bonds with surplus cash balances, and paying off the NM Finance Authority loan on the courthouse renovation, which would cause the retirement of a 1/8<sup>th</sup> % county wide gross receipts tax and paying off the Fire Excise Tax Bonds.

**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, (505) 887-9511.

**BASIC  
FINANCIAL STATEMENTS**

(This page intentionally left blank.)

STATE OF NEW MEXICO  
EDDY COUNTY  
STATEMENT OF NET ASSETS  
June 30, 2006

Exhibit A-1

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 29,308,679
Receivables	4,293,060
Prepaid assets	255,644
Restricted assets:	
Cash and cash equivalents temporarily restricted for:	
Bond project fund	20,585
Landfill closure and postclosure	597,370
Capital assets (net of accumulated depreciation)	<u>50,945,509</u>
Total assets	<u>\$ 85,420,847</u>
<b>LIABILITIES AND NET ASSETS</b>	
Accounts payable	\$ 1,070,630
Accrued expenses	412,535
Deferred revenue	154,195
Noncurrent liabilities:	
Compensated absences	
Due within one year	117,179
Due in more than one year	539,886
Loans payable	
Due within one year	37,209
Due in more than one year	287,065
Landfill closure, due in more than one year	<u>1,960,339</u>
Total liabilities	<u>4,579,038</u>
Invested in capital assets, net of related debt	50,621,235
Restricted for:	
Capital projects	6,600,707
Unrestricted	<u>23,619,867</u>
Total net assets	<u>80,841,809</u>
Total liabilities and net assets	<u>\$ 85,420,847</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 STATEMENT OF ACTIVITIES  
 For the year ended June 30, 2006

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 10,661,803	\$ 516,244	\$ 57,248	\$ 371,922
Public safety	8,968,643	528,325	3,398,303	-
Highways and roads	4,589,539	145,063	368,386	-
Health and sanitation	2,588,862	123,808	133,093	-
Culture and recreation	1,415,871	7,535	-	-
Interest on long-term debt	8,734	-	-	-
<b>Total governmental activities</b>	<b>28,233,452</b>	<b>1,320,975</b>	<b>3,957,030</b>	<b>371,922</b>
<b>Total primary government</b>	<b>\$ 28,233,452</b>	<b>\$ 1,320,975</b>	<b>\$ 3,957,030</b>	<b>\$ 371,922</b>

**General Revenues:**

- Property taxes
- Gross receipts taxes
- Oil and gas taxes
- Payment in lieu of taxes
- Motor vehicle and fuel taxes
- Lodger's tax
- Miscellaneous revenue
- Unrestricted investment earnings
- Gain (loss) on disposal of capital assets
- Total general revenues and transfers
- Change in net assets
- Net assets - as originally reported
- Prior period adjustment - Note 13
- Net assets - beginning (as adjusted)
- Net assets - ending

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenue  
and Changes in Net Assets

Governmental  
Activities

\$	(9,716,389)
	(5,042,015)
	(4,076,090)
	(2,331,961)
	(1,408,336)
	(8,734)
	<u>(22,583,525)</u>
	<u>(22,583,525)</u>

	6,365,298
	9,324,877
	12,505,236
	1,918,813
	1,255,969
	78,225
	662,899
	939,430
	(230,704)
	<u>32,820,043</u>
	<u>10,236,518</u>
	65,169,635
	5,435,656
	70,605,291
\$	<u><u>80,841,809</u></u>

STATE OF NEW MEXICO  
EDDY COUNTY  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
June 30, 2006

ASSETS	General Fund	County Indigent	Jail Expansion Reserve	Legislative Appropriations
Cash and cash equivalents	\$ 8,153,174	\$ 377,918	\$ 4,000,000	\$ -
Receivables:				
Taxes	2,311,259	470,521	-	-
Intergovernmental	44,316	-	-	-
Interest	177,765	-	-	-
Prepaid expenses	255,644	-	-	-
Advances to fire districts	112,845	-	-	-
Interfund receivable	242,113	-	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ 11,297,116</u>	<u>\$ 848,439</u>	<u>\$ 4,000,000</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts payable	\$ 240,160	\$ 239,493	\$ -	\$ 249,166
Accrued expenses	380,955	-	-	-
Advances from general fund	-	-	-	-
Interfund payable	4,046	-	-	123,910
Deferred revenue	209,913	-	-	-
<i>Total liabilities</i>	<u>835,074</u>	<u>239,493</u>	<u>-</u>	<u>373,076</u>
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	255,644	-	-	-
Advances to fire districts	112,845	-	-	-
Landfill closure	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund	10,093,553	-	-	-
Special revenue funds	-	608,946	4,000,000	(373,076)
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>10,462,042</u>	<u>608,946</u>	<u>4,000,000</u>	<u>(373,076)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 11,297,116</u>	<u>\$ 848,439</u>	<u>\$ 4,000,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 16,777,587	\$ 29,308,679
862,135	3,643,915
427,064	471,380
-	177,765
-	255,644
-	112,845
4,046	246,159
<u>617,955</u>	<u>617,955</u>
<u>\$ 18,688,787</u>	<u>\$ 34,834,342</u>
341,811	\$ 1,070,630
31,580	412,535
112,845	112,845
118,203	246,159
<u>175,861</u>	<u>385,774</u>
<u>780,300</u>	<u>2,227,943</u>
-	255,644
-	112,845
597,370	597,370
-	10,093,553
9,689,825	13,925,695
6,600,707	6,600,707
<u>1,020,585</u>	<u>1,020,585</u>
<u>17,908,487</u>	<u>32,606,399</u>
<u>\$ 18,688,787</u>	<u>\$ 34,834,342</u>

(This page intentionally left blank.)

STATE OF NEW MEXICO  
EDDY COUNTY  
GOVERNMENTAL FUNDS

Exhibit B-1  
(Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
June 30, 2006

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

Fund balances - total governmental funds	\$ 32,606,399
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	50,945,509
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	231,579
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,941,678)</u>
Net assets - Statement of Net Assets	\$ <u><u>80,841,809</u></u>

The accompanying notes are an integral part of these 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, 2006

	<u>General Fund</u>	<u>County Indigent</u>	<u>Jail Expansion Reserve</u>	<u>Legislative Appropriations</u>
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 21,486,597	\$ 2,692,182	\$ -	\$ -
Licenses and permits	413,546	-	-	-
Intergovernmental	2,345,335	57,479	-	608,703
Charges for services	507,101	-	-	-
Investment earnings	938,112	-	-	-
Miscellaneous	539,446	42,602	-	-
<i>Total revenues</i>	<u>26,230,137</u>	<u>2,792,263</u>	<u>-</u>	<u>608,703</u>
<i>Expenditures:</i>				
Current:				
General government	8,267,966	-	-	965,113
Public safety	6,752,348	-	-	-
Highways and roads	3,476,177	-	-	-
Health and sanitation	-	2,158,446	-	-
Culture and recreation	986,144	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>19,482,635</u>	<u>2,158,446</u>	<u>-</u>	<u>965,113</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,747,502</u>	<u>633,817</u>	<u>-</u>	<u>(356,410)</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	(9,321,735)	(136,000)	4,000,000	-
<i>Total other financing sources (uses)</i>	<u>(9,321,735)</u>	<u>(136,000)</u>	<u>4,000,000</u>	<u>-</u>
<i>Net changes in fund balances</i>	(2,574,233)	497,817	4,000,000	(356,410)
<i>Fund balance - beginning of year</i>	<u>13,036,275</u>	<u>111,129</u>	<u>-</u>	<u>(16,666)</u>
<i>Fund balance - end of year</i>	<u>\$ 10,462,042</u>	<u>\$ 608,946</u>	<u>\$ 4,000,000</u>	<u>\$ (373,076)</u>

The accompanying notes are an integral part of these financial statements.

Other Governmental Funds	Total
\$ 5,312,104	\$ 29,490,883
232,340	645,886
3,236,253	6,247,770
167,987	675,088
1,317	939,429
80,418	662,466
<u>9,030,419</u>	<u>38,661,522</u>
910,658	10,143,737
1,994,994	8,747,342
45,000	3,521,177
368,053	2,526,499
429,727	1,415,871
45,400	45,400
<u>3,830,497</u>	<u>3,830,497</u>
<u>7,624,329</u>	<u>30,230,523</u>
<u>1,406,090</u>	<u>8,430,999</u>
17,011	17,011
<u>5,457,735</u>	-
<u>5,474,746</u>	<u>17,011</u>
6,880,836	8,448,010
<u>11,027,651</u>	<u>24,158,389</u>
<u>\$ 17,908,487</u>	<u>\$ 32,606,399</u>

STATE OF NEW MEXICO  
EDDY COUNTY

Exhibit B-2  
(Page 2 of 2)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the statement of activities  
are different because:

Net changes in fund balances - all governmental funds \$ 8,448,010

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:

Capital expenditures 5,501,491  
Depreciation expense (3,402,293)

The effect of removing obsolete items included in capital assets  
is to decrease net assets. (247,715)

Revenues in the statement of activities that do not provide current financial  
resources are not reported as revenue in the funds:

Property taxes 39,152

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial  
resources to governmental funds, while the repayment of the principal of long-term  
debt consumes the current financial resources of governmental funds. Neither  
transaction, however, has any effect on net assets. Also, governmental funds  
report the effect of issuance costs, premiums, discounts, and similar items when  
debt is first issued, whereas these amounts are deferred and amortized in the  
statement of activities:

Increase in liability for compensated absences (103,176)  
Principal payments on notes 36,666  
Increase in liability for landfill closure (35,617)

Change in net assets of governmental activities \$ 10,236,518

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Exhibit C-1

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 15,713,631	\$ 15,713,632	\$ 21,088,847	\$ 5,375,215
Licenses and permits	371,200	371,200	413,546	42,346
Intergovernmental	1,910,900	1,910,900	2,368,202	457,302
Charges for services	379,150	379,150	500,565	121,415
Investment earnings	300,000	300,000	889,533	589,533
Miscellaneous	292,020	292,020	533,046	241,026
<i>Total revenues</i>	<u>18,966,901</u>	<u>18,966,902</u>	<u>25,793,739</u>	<u>6,826,837</u>
<i>Expenditures:</i>				
Current:				
General government	8,256,675	8,556,521	8,118,426	438,095
Public safety	6,371,183	6,940,880	6,918,137	22,743
Highways and roads	3,503,190	3,545,196	3,330,197	214,999
Health and sanitation	-	-	-	-
Culture and recreation	966,144	986,144	986,144	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>19,097,192</u>	<u>20,028,741</u>	<u>19,352,904</u>	<u>675,837</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(130,291)</u>	<u>(1,061,839)</u>	<u>6,440,835</u>	<u>7,502,674</u>
<i>Other financing sources (uses):</i>				
Designated cash	252,025	1,183,573	-	(1,183,573)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	(121,734)	(121,734)	(9,321,734)	(9,200,000)
<i>Total other financing sources (uses)</i>	<u>130,291</u>	<u>1,061,839</u>	<u>(9,321,734)</u>	<u>(10,383,573)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(2,880,899)	(2,880,899)
<i>Fund balance - beginning of year</i>	-	-	11,384,986	11,384,986
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>8,504,087</u>	\$ <u>8,504,087</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Exhibit C-2

## EDDY COUNTY

## COUNTY INDIGENT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 1,778,932	\$ 1,778,932	\$ 2,314,528	\$ 535,596
Licenses and permits	-	-	-	-
Intergovernmental	-	-	69,809	69,809
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	6,000	6,000	42,602	36,602
<i>Total revenues</i>	<u>1,784,932</u>	<u>1,784,932</u>	<u>2,426,939</u>	<u>642,007</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	1,665,865	2,105,662	1,918,954	186,708
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>1,665,865</u>	<u>2,105,662</u>	<u>1,918,954</u>	<u>186,708</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>119,067</u>	<u>(320,730)</u>	<u>507,985</u>	<u>828,715</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,933	445,730	-	(445,730)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	(125,000)	(125,000)	(136,000)	(11,000)
<i>Total other financing sources (uses)</i>	<u>(119,067)</u>	<u>320,730</u>	<u>(136,000)</u>	<u>(456,730)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	371,985	371,985
<i>Fund balance - beginning of year</i>	-	-	5,933	5,933
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>377,918</u>	\$ <u>377,918</u>

The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO  
EDDY COUNTY  
JAIL EXPANSION RESERVE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	4,000,000	4,000,000
<i>Total other financing sources (uses)</i>	-	-	4,000,000	4,000,000
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	4,000,000	4,000,000
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000

The accompanying notes are an integral part of these financial statements.

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, 2006

Exhibit C-4

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,416,225	1,416,225	608,703	(807,522)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,416,225</u>	<u>1,416,225</u>	<u>608,703</u>	<u>(807,522)</u>
<i>Expenditures:</i>				
Current:				
General government	1,428,146	2,129,826	744,535	1,385,291
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>1,428,146</u>	<u>2,129,826</u>	<u>744,535</u>	<u>1,385,291</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,921)</u>	<u>(713,601)</u>	<u>(135,832)</u>	<u>577,769</u>
<i>Other financing sources (uses):</i>				
Designated cash	11,921	713,601	-	(713,601)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>11,921</u>	<u>713,601</u>	<u>-</u>	<u>(713,601)</u>
<i>Excess (deficiency of revenues and other sources (uses) over expenditures</i>	-	-	(135,832)	(135,832)
<i>Fund balance - beginning of year</i>	-	-	11,922	11,922
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (123,910)</u>	<u>\$ (123,910)</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
EDDY COUNTY  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
Year Ended June 30, 2006

Exhibit D

ASSETS

Cash and temporary investments	\$ 1,260,520
Receivables:	
Property taxes	552,849
Other taxes	<u>1,991,982</u>
<i>Total assets</i>	\$ <u><u>3,805,351</u></u>

LIABILITIES

Due to other taxing units	\$ <u>3,805,351</u>
<i>Total liabilities</i>	\$ <u><u>3,805,351</u></u>

The accompanying notes are an integral part of these financial statements.

(This page intentionally left blank.)

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 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.      *Financial 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.

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 1. Summary of Significant Accounting Policies (continued)

B. *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, and financial statement presentation*

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 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.

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 1. Summary of Significant Accounting Policies (continued)

C. *Measurement focus, basis of accounting, and financial statement presentation* (continued)

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 *County Indigent Special Revenue Fund* is used to account for the funds received and disbursed for the care of indigent hospital claims. State law Section 27-5-1 to 27-5-18 restricts the use of these funds.

The *Jail Expansion Reserve Special Revenue Fund* is used to account for financial resources reserved for the future expansion of jail facilities.

The *Legislative Appropriations Special Revenue Fund* is 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.

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.

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 1. Summary of Significant Accounting Policies (continued)

C. *Measurement focus, basis of accounting, and financial statement presentation* (continued)

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<sup>th</sup> are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.



STATE OF NEW MEXICO  
 EDDY COUNTY  
 Notes to the Financial Statements  
 June 30, 2006

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Liabilities and Net Assets or Equity* (continued)

**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. State law sets a capitalization threshold of \$5,000 for acquisitions of capital assets. The County has elected to continue to capitalize acquisitions of capital assets under their internal capitalization policy. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) 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
Vehicles and equipment	5-15
Computer Hardware	5
Software	5-20
Roads	25

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Liabilities and Net Assets or Equity* (continued)

**Accrued expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2006, 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:** Vested or accumulated vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated sick leave benefits vest with each employee in accordance with County policy.

The County permits eligible employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the County. A long-term liability of \$657,065 for vacation accrued as of June 30, 2006, has been recorded in the government-wide financial statements as a non-current liability. Vacation pay that is expected to be liquidated within the next twelve months is reported in the governmental fund that will pay it.

**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.

**Reclassifications:** Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

**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.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 Notes to the Financial Statements  
 June 30, 2006

NOTE 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 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 cash 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 Board of County Commissioners throughout the year properly amended the appropriated budget for the year ended June 30, 2006. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (130,291)	\$ (1,061,839)
County Indigent	\$ 119,067	\$ (320,730)
Jail Expansion Reserve	\$ -	\$ -
Legislative Appropriations	\$ (11,921)	\$ (713,601)
Nonmajor governmental funds	\$ (4,887,959)	\$ (6,090,364)

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 2. Stewardship, Compliance and Accountability (continued)

*Budgetary Information (continued)*

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.

The following is a reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund type.

	General Fund	County Indigent	Jail Expansion Reserve	Legislative Appropriations	Other Governmental Funds
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis)	\$ 6,747,502	\$ 633,817	\$ -	\$ (356,410)	\$ 1,406,090
Adjustments:					
Accounts receivable	(462,094)	(365,324)	-	-	(870,809)
Prepaid expenses	(23,896)	-	-	-	-
Accounts payable	99,981	239,492	-	220,578	189,022
Accrued expenses	53,646	-	-	-	11,174
Deferred revenue	25,696	-	-	-	167,651
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget basis)	<u>\$ 6,440,835</u>	<u>\$ 507,985</u>	<u>\$ -</u>	<u>\$ (135,832)</u>	<u>\$ 903,128</u>

*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.

Legislative Appropriations	\$ 373,076
Recreation	223
EMS – Malaga	1,550
EMS – White’s City	1,731
Civil Emergency	5,488

B. Excess of expenditures over appropriations by fund and function.

Happy Valley Fire District – Debt Service	\$ 19,434
La Huerta Fire District – Public Safety	4,763
La Huerta Fire District – Debt Service	25,966
Construction Fund – General Government	2,748
Fire Excise Tax Gross Receipts – Public Safety	49,890

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

**NOTE 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, 2006.

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 Hospital for at least one half of the amount on deposit with the institution. As of June 30, 2006 \$24,628,123 of the County's bank balances were exposed to custodial credit risk as follows:

	<u>Carlsbad National Bank</u>	<u>1st National Bank of Artesia</u>	<u>Pioneer Bank</u>
Year ended June 30, 2006			
Total amount of deposits	\$ 8,571,634	\$ 3,300,000	\$ 2,400,000
FDIC Coverage	(200,000)	(100,000)	(100,000)
Total uninsured public funds	<u>8,371,634</u>	<u>3,200,000</u>	<u>2,300,000</u>
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	<u>5,828,991</u>	<u>1,620,688</u>	<u>1,312,853</u>
Uninsured and uncollateralized	<u>\$ 2,542,643</u>	<u>\$ 1,579,312</u>	<u>\$ 987,147</u>
Collateral requirement (50% of uninsured public funds)	\$ 4,185,817	\$ 1,600,000	\$ 1,150,000
Pledged securities	<u>5,828,991</u>	<u>1,620,688</u>	<u>1,312,853</u>
Over (under) collateralization	<u>\$ 1,643,174</u>	<u>\$ 20,688</u>	<u>\$ 162,853</u>

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 3. Deposits and Investments (continued)

Custodial Credit Risk – Deposits (continued)

	<u>Wells Fargo</u>	<u>Western Bank of Artesia</u>	<u>Western Commerce Bank</u>
Year ended June 30, 2006			
Total amount of deposits	\$ 2,205,500	\$ 3,431,751	\$ 4,228,470
FDIC Coverage	(105,500)	(200,000)	(200,000)
Total uninsured public funds	<u>2,100,000</u>	<u>3,231,751</u>	<u>4,028,470</u>
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	<u>2,100,000</u>	<u>2,855,294</u>	<u>2,826,035</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ 376,457</u>	<u>\$ 1,202,435</u>
Collateral requirement (50% of uninsured public funds)	\$ 1,050,000	\$ 1,615,876	\$ 2,014,235
Pledged securities	<u>2,100,000</u>	<u>2,855,294</u>	<u>2,826,035</u>
Over (under) collateralization	<u>\$ 1,050,000</u>	<u>\$ 1,239,418</u>	<u>\$ 811,800</u>
	<u>Artesia National Bank</u>	<u>City of Carlsbad</u>	<u>Total</u>
Year ended June 30, 2006			
Total amount of deposits	\$ 900,000	\$ 596,268	\$ 25,633,623
FDIC Coverage	(100,000)	-	(1,005,500)
Total uninsured public funds	<u>800,000</u>	<u>596,268</u>	<u>24,628,123</u>
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	<u>800,000</u>	<u>298,134</u>	<u>17,641,995</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ 298,134</u>	<u>\$ 6,986,128</u>
Collateral requirement (50% of uninsured public funds)	\$ 400,000	\$ 298,134	\$ 12,314,062
Pledged securities	<u>800,000</u>	<u>298,134</u>	<u>17,641,995</u>
Over (under) collateralization	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 5,327,933</u>

The collateral pledged is listed on Schedule I 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.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 Notes to the Financial Statements  
 June 30, 2006

NOTE 3. Deposits and Investments (continued)

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, 2006, the County's investment balances were exposed to custodial credit risk as follows:

	<u>AP Institutional US Treasury Fund</u>	<u>New MexiGROW LGIP</u>	<u>Total</u>
Year ended June 30, 2006			
Investments held by NMFA at the Bank of Albuquerque for the County	\$ 20,124	\$ -	\$ 20,124
Investment in the State Treasurer's Local Government Investment Pool	<u>-</u>	<u>6,225,000</u>	<u>6,225,000</u>
Total investments subject to custodial credit risk	<u>\$ 20,124</u>	<u>\$ 6,225,000</u>	<u>\$ 6,245,124</u>
Collateral requirement	\$ -	\$ -	\$ -
Pledged securities	<u>-</u>	<u>-</u>	<u>-</u>
Over (under) collateralization	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
 EDDY COUNTY  
 Notes to the Financial Statements  
 June 30, 2006

NOTE 3. Deposits and Investments (continued)

Credit Risk

As of June 30, 2006, the County's investment in the New MexiGROW LGIP was rated as follows:

Investment Type	Rating
U. S. Government Obligations	No rating
Commercial paper	A-1
Commercial paper	P-1
Commercial paper	F1
Corporate bonds	AA
Asset-backed obligations	AAA
Repurchase agreements	No rating
Bank, savings and loan association, or credit union deposits	No rating
Securities lending	No rating
Variable rate notes	No rating
Tax exempt securities	A
Securities issued by the State of New Mexico, or a political subdivision of the State, or any Agency, Institution or Instrumentality of the State or a political subdivision	No rating
Mutual funds	No rating

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 I 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.

At June 30, 2006, the County's investment in the AP Institutional US Treasury Fund is not rated.



STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 3. Deposits and Investments (continued)

Interest Rate Risk

The County's investments at June 30, 2006 included the following:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer Local Government Investment Pool	< 182 days	\$ 6,225,000
AP Institutional US Treasury Fund #0042	Various	<u>20,124</u>
		<u>\$ 6,245,124</u>

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 sheriff 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:

	<u>June 30, 2006</u>
Carrying amount	
Deposits	\$ 24,940,680
Investments	6,245,124
Petty Cash	<u>1,350</u>
	<u>\$ 31,187,154</u>
Included in the following balance sheet captions	
Cash and cash equivalents	\$ 29,308,679
Restricted cash and cash equivalents	<u>617,955</u>
	\$ 29,926,634
Agency funds	<u>1,260,520</u>
	<u>\$ 31,187,154</u>

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 4. Accounts Receivable

Accounts receivable as of June 30, 2006, are as follows:

	General Fund	County Indigent	Nonmajor Governmental Funds	Total
Taxes receivable:				
Property taxes	\$ 261,469	\$ -	\$ 24,925	\$ 286,394
State of New Mexico				
Oil and gas taxes	1,718,501	-	7,591	1,726,092
Gross receipts taxes	331,289	470,521	829,619	1,631,429
	<u>2,311,259</u>	<u>470,521</u>	<u>862,135</u>	<u>3,643,915</u>
Intergovernmental:				
State of New Mexico				
Grants	-	-	421,633	421,633
Other				
City of Carlsbad	37,916	-	-	37,916
Other	6,400	-	-	6,400
State of New Mexico				
Corrections	-	-	5,431	5,431
	<u>44,316</u>	<u>-</u>	<u>427,064</u>	<u>471,380</u>
Accrued interest	<u>177,765</u>	<u>-</u>	<u>-</u>	<u>177,765</u>
	<u>\$ 2,533,340</u>	<u>\$ 470,521</u>	<u>\$ 1,289,199</u>	<u>\$ 4,293,060</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 \$231,579. There was also \$154,195 recorded as deferred revenue for tax payments received under protest which are held in a separate fund until disposition of the protest.

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

**NOTE 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, 2006 is as follows:

Transfers In	Transfers Out	Amount
Traffic Safety	Eddy County DWI	\$ 1,600
White's City Fire District	Fire Excise Tax - Gross Receipts	282
Loco Hills Fire District	Fire Excise Tax - Gross Receipts	486
Malaga Fire District	Fire Excise Tax - Gross Receipts	4,578
Atoka Fire District	EMS - Atoka	9,764
Cottonwood Fire District	EMS - Cottonwood	9,764
Happy Valley Fire District	EMS - Happy Valley	9,764
Joel Fire District	EMS - Joel	11,477
La Huerta Fire District	EMS - La Huerta	10,278
Loco Hills Fire District	EMS - Loco Hills	2,769
Otis Fire District	EMS - Otis	9,250
White's City Fire District	EMS - White's City	5,628
Sun Country Fire District	EMS - Sun Country	6,595
Queen Fire District	EMS - Queen	3,255
Riverside Fire District	EMS - Riverside	3,255
Malaga Fire District	EMS - Malaga	3,255
Jail Expansion Reserve	General Fund	4,000,000
Health Office Reserve	General Fund	2,000,000
Loop Road Reserve	General Fund	2,700,000
Farm and Range	General Fund	20,000
Recreation	General Fund	58,268
Civil Emergency	General Fund	543,466
Construction	General Fund	1,048,008
General Fund	Bond Payment Gross Receipts	711,823
General Fund	Eddy County Bond - 1988	162,671
General Fund	Courthouse Gross Receipts	81,648
General Fund	Fire Excise Bond Payment - 1996	91,866
Healthier Services	County Indigent	136,000
		<u>\$ 11,645,750</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	Happy Valley Fire District	\$ 1,180
General Fund	Joel Fire District	10,000
General Fund	Otis Fire District	10,000
General Fund	Civil Emergency	54,494
General Fund	CDBG Colonias	39,800
General Fund	Legislative Appropriations	123,910
General Fund	Region VI Task Force	2,729
HITDA Metro Agency	General Fund	4,046
		<u>\$ 246,159</u>

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2006 follows. Land is not subject to depreciation.

	Balance (As Adjusted) See Note 13 June 30, 2005	Additions	Retirements	Balance June 30, 2006
Capital assets not being depreciated:				
Land	\$ 3,475,618	\$ 42,396	\$ -	\$ 3,518,014
Construction in progress	156,402	847,074	156,402	847,074
Total capital assets not being depreciated	<u>3,632,020</u>	<u>889,470</u>	<u>156,402</u>	<u>4,365,088</u>
Capital assets being depreciated:				
Landfill	686,696	-	-	686,696
Buildings and building improvements	23,001,589	1,249,326	-	24,250,915
Infrastructure	26,286,056	882,816	147,252	27,021,620
Equipment & furnishings	18,305,691	2,636,281	332,707	20,609,265
Total capital assets being depreciated	<u>68,280,032</u>	<u>4,768,423</u>	<u>479,959</u>	<u>72,568,496</u>
Less accumulated depreciation for:				
Buildings and building improvements	6,072,081	676,780	-	6,748,861
Infrastructure	7,451,316	1,075,643	50,066	8,476,893
Equipment & furnishings	9,294,629	1,649,870	182,178	10,762,321
Total accumulated depreciation	<u>22,818,026</u>	<u>3,402,293</u>	<u>232,244</u>	<u>25,988,075</u>
Total capital assets being depreciated, net	<u>45,462,006</u>	<u>1,366,130</u>	<u>247,715</u>	<u>46,580,421</u>
Governmental activities capital assets, net	<u>\$ 49,094,026</u>	<u>\$ 2,255,600</u>	<u>\$ 404,117</u>	<u>\$ 50,945,509</u>

Depreciation expense for the year ended June 30, 2006 was charged to the following functions and funds:

General government	\$ 904,184
Public safety	859,906
Highways and roads	1,611,456
Health and sanitation	26,747
	<u>\$ 3,402,293</u>

STATE OF NEW MEXICO  
 EDDY COUNTY  
 Notes to the Financial Statements  
 June 30, 2006

NOTE 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.

On February 13, 2004, 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 \$225,000. The loan bears interest at rates ranging from 1.90% 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>
2007	\$ 37,209	\$ 9,124	\$ 46,333
2008	37,893	8,443	46,336
2009	38,713	7,624	46,337
2010	39,667	6,672	46,339
2011	40,749	5,593	46,342
2012-2014	130,043	9,003	139,046
	<u>\$ 324,274</u>	<u>\$ 46,459</u>	<u>\$ 370,733</u>

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 7. Long-term Debt (continued)

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2006, was as follows:

	Balance June 30, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
NMFA Loans					
September 2003	\$ 155,536	\$ -	\$ 15,800	\$ 139,736	\$ 16,034
February 2004	205,404	-	20,866	184,538	21,175
	<u>360,940</u>	-	<u>36,666</u>	<u>324,274</u>	<u>37,209</u>
Compensated absences	553,889	447,979	344,803	657,065	117,179
Landfill closure	<u>1,924,722</u>	<u>35,617</u>	-	<u>1,960,339</u>	-
	<u>\$ 2,839,551</u>	<u>\$ 483,596</u>	<u>\$ 381,469</u>	<u>\$ 2,941,678</u>	<u>\$ 154,388</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.

NOTE 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.

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

**NOTE 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, 2006, 2005 and 2004 were \$1,740,410, \$1,786,499, and \$1,495,376, respectively, equal to the amount of the required contributions for the years, respectively.

**NOTE 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.

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

**NOTE 10. Post-Employment Benefits (continued)**

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, 2006, 2005 and 2004, the County remitted \$40,225, \$41,290, and \$44,396, respectively, in employer contributions to the Retiree Health Care Authority.

**NOTE 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 has been notified that it will be liable for social security and medicare taxes for eleven employees for whom no social security and medicare taxes were withheld. At this time, the County has not been notified as to how many years will be affected, accordingly, the County is not able to estimate the amount of the possible liability, thus no liability has been recorded.

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.

**NOTE 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, 2006, which is based on the cumulative capacity of 5,574,000 cubic gate years 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, 2006. 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.



STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

**NOTE 12. Landfill Closure and Postclosure Care (continued)**

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><u>\$ 17,716,627</u></u>
 Total capacity used to date (approximately 1,233,526 cubic gate yards) as a % of total capacity (5,574,000 cubic gate yards)	  22.13%
Estimated closure and postclosure care costs	\$ 3,920,678
Prior liability recognized	<u>3,849,444</u>
Total current year liability	71,234
	<u>50%</u>
County of Eddy portion	35,617
Prior year liability recognized	<u>1,924,722</u>
 Estimated liability for the year ended June 30, 2006	 <u><u>\$ 1,960,339</u></u>

**NOTE 13. Prior Period Restatement and Adjustments**

The prior period balance for capital assets was adjusted to agree to the detail listing maintained by the County. Additionally the beginning balance of the infrastructure assets was adjusted to correct an error in the original capitalization calculations. The effect was as follows:

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

NOTE 13. Prior Period Restatement and Adjustments (continued)

	<u>As Originally Reported June 30, 2005</u>	<u>Prior Period Adjustment</u>	<u>Balance As Adjusted June 30, 2005</u>
Capital assets not being depreciated:			
Land	\$ 3,475,618	\$ -	\$ 3,475,618
Construction in progress	<u>156,402</u>	<u>-</u>	<u>156,402</u>
Total capital assets not being depreciated	<u>3,632,020</u>	<u>-</u>	<u>3,632,020</u>
Capital assets being depreciated:			
Landfill	686,696	-	686,696
Buildings and building improvements	23,001,589	-	23,001,589
Infrastructure	15,561,108	10,724,948	26,286,056
Equipment & furnishings	<u>18,369,616</u>	<u>(63,925)</u>	<u>18,305,691</u>
Total capital assets being depreciated	<u>57,619,009</u>	<u>10,661,023</u>	<u>68,280,032</u>
Less accumulated depreciation for:			
Buildings and building improvements	5,763,820	308,261	6,072,081
Infrastructure	3,584,094	3,867,222	7,451,316
Equipment & furnishings	<u>8,244,745</u>	<u>1,049,884</u>	<u>9,294,629</u>
Total accumulated depreciation	<u>17,592,659</u>	<u>5,225,367</u>	<u>22,818,026</u>
Total capital assets being depreciated, net	<u>40,026,350</u>	<u>5,435,656</u>	<u>45,462,006</u>
Governmental activities capital assets, net	<u>\$ 43,658,370</u>	<u>\$ 5,435,656</u>	<u>\$ 49,094,026</u>

STATE OF NEW MEXICO  
EDDY COUNTY  
Notes to the Financial Statements  
June 30, 2006

**NOTE 14. Accounting Standards**

In June 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which is effective for financial statements for periods beginning after December 15, 2006, for *phase 1 governments* (those with total annual revenues of \$100 million or more); after December 15, 2007, for *phase 2 governments* (those with total annual revenues of \$10 million or more but less than \$100 million); and after December 15, 2008, for *phase 3 governments* (those with total annual revenues of less than \$10 million). In addition to pensions, many state and local governmental employers provide *other postemployment benefits* (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

The approach followed in this Statement generally is consistent with the approach adopted in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses financial statement and disclosure requirements for reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports. The County is analyzing the effect that this standard will have on the financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

**NOTE 15. Basis of Presentation of Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Eddy County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in, or used in the preparation of the governmental fund financial statements may not be consistent with amounts used in the Schedule of Expenditures of Federal Awards.

(This page intentionally left blank.)

**SUPPLEMENTARY INFORMATION**

(This page intentionally left blank.)

**NONMAJOR GOVERNMENTAL FUNDS**

(This page intentionally left blank.)



## NON-MAJOR GOVERNMENTAL FUNDS

### 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.

**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 grand 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.

**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.

**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).

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**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.

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

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

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

**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.

**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.

**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-I-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.

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

**Civil Emergency Fund** – To account for state grants used to for development, implementation, and maintenance of a civil emergency preparedness program, pursuant to the authority contained in Section 11-1-3, Section 12-10-6, and Section 12-10-7, NMSA 1978 as amended.

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Sheriff's Special – Confiscation and Seizure Fund** – To account for Eddy County Sheriff's 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.

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

### CAPITAL PROJECTS FUND

**Construction Fund** – The purpose of this fund is to account for the acquisition or construction of major capital facilities.

**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.

### DEBT SERVICE FUNDS

**Fire Excise Bond Payment Gross Receipts Fund** - To account for the accumulation of resources for, and the payment of general long-term principal, interest and related costs of specially for the fire excise tax bonds. This 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 bond repayment.

**Bond Payment Gross Receipts Fund** - To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of gross receipts tax refunding and improvement bonds. This fund's source of revenue is a one-quarter of one percent gross receipts tax approved by the citizens of Eddy County for bond repayment.

**Eddy County Bond 1998 Fund** – To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs specifically for the fire excise tax bonds.. This fund's source of revenue is a one-eighth percent gross receipts tax approved by the citizens of Eddy County for bond 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.

**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.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2006

ASSETS	Special Revenue Funds			
	Farm and Range	Recreation	Environmental Services	Atoka Fire District
Cash and cash equivalents	\$ 7,931	\$ 82	\$ 648,854	\$ 247,949
Receivables:				
Taxes	-	-	230,121	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	596,268	-
<i>Total assets</i>	<u>\$ 7,931</u>	<u>\$ 82</u>	<u>\$ 1,475,243</u>	<u>\$ 247,949</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts payable	\$ -	\$ 305	\$ 15,315	\$ 2,521
Accrued expenses	-	-	2,823	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>305</u>	<u>18,138</u>	<u>2,521</u>
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Landfill closure	-	-	596,268	-
Unreserved:				
Undesignated, reported in:				
General fund	-	-	-	-
Special revenue funds	7,931	(223)	860,837	245,428
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>7,931</u>	<u>(223)</u>	<u>1,457,105</u>	<u>245,428</u>
<i>Total liabilities and fund balances</i>	<u>\$ 7,931</u>	<u>\$ 82</u>	<u>\$ 1,475,243</u>	<u>\$ 247,949</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

Cottonwood Fire District	Happy Valley Fire District	Joel Fire District	La Huerta Fire District	Loco Hills Fire District	Otis Fire District
\$ 341,848	\$ 90,893	\$ 209,835	\$ 117,757	\$ 44,116	\$ 231,117
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,102	-	-
<u>\$ 341,848</u>	<u>\$ 90,893</u>	<u>\$ 209,835</u>	<u>\$ 118,859</u>	<u>\$ 44,116</u>	<u>\$ 231,117</u>
\$ 2,246	\$ 692	\$ 6,460	\$ 3,376	\$ 3,510	\$ 2,852
-	-	-	-	-	-
-	-	57,276	-	-	55,569
-	1,180	10,000	-	-	10,000
-	-	-	-	-	-
<u>2,246</u>	<u>1,872</u>	<u>73,736</u>	<u>3,376</u>	<u>3,510</u>	<u>68,421</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,102	-	-
-	-	-	-	-	-
339,602	89,021	136,099	114,381	40,606	162,696
-	-	-	-	-	-
-	-	-	-	-	-
<u>339,602</u>	<u>89,021</u>	<u>136,099</u>	<u>115,483</u>	<u>40,606</u>	<u>162,696</u>
<u>\$ 341,848</u>	<u>\$ 90,893</u>	<u>\$ 209,835</u>	<u>\$ 118,859</u>	<u>\$ 44,116</u>	<u>\$ 231,117</u>

STATE OF NEW MEXICO  
 EDDY COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2006

	Special Revenue Funds			
	White's City Fire District	Property Valuation	EMS - Atoka	EMS - Loco Hills
<b>ASSETS</b>				
Cash and cash equivalents	\$ 96,908	\$ 160,694	\$ 7,266	\$ -
Receivables:				
Taxes	-	8,167	-	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ 96,908</u>	<u>\$ 168,861</u>	<u>\$ 7,266</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts payable	\$ 2,894	\$ 1,477	\$ -	\$ -
Accrued expenses	-	2,427	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	6,639	-	-
<i>Total liabilities</i>	<u>2,894</u>	<u>10,543</u>	<u>-</u>	<u>-</u>
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Landfill closure	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund	-	-	-	-
Special revenue funds	94,014	158,318	7,266	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>94,014</u>	<u>158,318</u>	<u>7,266</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 96,908</u>	<u>\$ 168,861</u>	<u>\$ 7,266</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

EMS - Happy Valley	EMS - Joel	Sun Country Fire District	Queen Fire District	Riverside Fire District	EMS - Queen
\$ 2	\$ 2,427	\$ 164,644	\$ 98,505	\$ 58,905	\$ 46
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2</u>	<u>\$ 2,427</u>	<u>\$ 164,644</u>	<u>\$ 98,505</u>	<u>\$ 58,905</u>	<u>\$ 46</u>
\$ -	\$ -	\$ 2,354	\$ 1,015	\$ 913	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,354	1,015	913	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2	2,427	162,290	97,490	57,992	46
-	-	-	-	-	-
-	-	-	-	-	-
<u>2</u>	<u>2,427</u>	<u>162,290</u>	<u>97,490</u>	<u>57,992</u>	<u>46</u>
<u>\$ 2</u>	<u>\$ 2,427</u>	<u>\$ 164,644</u>	<u>\$ 98,505</u>	<u>\$ 58,905</u>	<u>\$ 46</u>

STATE OF NEW MEXICO  
 EDDY COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2006

	Special Revenue Funds			
	EMS - Sun Country	HIDTA Grant- Metro Agency	EMS - Riverside	EMS - Cottonwood
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 11,682	\$ 9,743	\$ 17,687
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	4,046	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 15,728</u>	<u>\$ 9,743</u>	<u>\$ 17,687</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts payable	\$ -	\$ 3,634	\$ -	\$ -
Accrued expenses	-	10,102	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>13,736</u>	<u>-</u>	<u>-</u>
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Landfill closure	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund	-	-	-	-
Special revenue funds	-	1,992	9,743	17,687
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>1,992</u>	<u>9,743</u>	<u>17,687</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 15,728</u>	<u>\$ 9,743</u>	<u>\$ 17,687</u>

The accompanying notes are an integral part of these financial statements.



Special Revenue Funds					
EMS - Otis	GIS Grant	County Clerk Recording and Filing	EMS - Malaga	Treasurer's Collection Fund	Malaga Fire District
\$ 1,618	\$ 645,513	\$ 210,557	\$ 17	\$ 3,357	\$ 44,075
-	-	-	-	-	-
-	37,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,618</u>	<u>682,513</u>	<u>210,557</u>	<u>17</u>	<u>3,357</u>	<u>44,075</u>
\$ 1,535	\$ -	\$ 42	\$ 1,567	\$ -	\$ 2,138
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,535</u>	<u>-</u>	<u>42</u>	<u>1,567</u>	<u>-</u>	<u>2,138</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
83	682,513	210,515	(1,550)	3,357	41,937
-	-	-	-	-	-
<u>83</u>	<u>682,513</u>	<u>210,515</u>	<u>(1,550)</u>	<u>3,357</u>	<u>41,937</u>
\$ <u>1,618</u>	\$ <u>682,513</u>	\$ <u>210,557</u>	\$ <u>17</u>	\$ <u>3,357</u>	\$ <u>44,075</u>

STATE OF NEW MEXICO  
EDDY COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2006

ASSETS	Special Revenue Funds			
	Healthier Services	Artesia Motor Vehicle	EMS - La Huerta	EMS - White's City
Cash and cash equivalents	\$ 71,530	\$ 38,049	\$ 642	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	20,808	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ 71,530</u>	<u>\$ 58,857</u>	<u>\$ 642</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts payable	\$ 586	\$ 1,155	\$ -	\$ 1,731
Accrued expenses	2,830	4,623	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	<u>3,416</u>	<u>5,778</u>	<u>-</u>	<u>1,731</u>
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Landfill closure	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund	-	-	-	-
Special revenue funds	68,114	53,079	642	(1,731)
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>68,114</u>	<u>53,079</u>	<u>642</u>	<u>(1,731)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 71,530</u>	<u>\$ 58,857</u>	<u>\$ 642</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

Law Enforcement Protection Act	Correction Fees	CDBG Colonias	Detention Fees	E-911 Addressing Program	Loop Road Reserve
\$ -	\$ 92,364	\$ -	\$ 176,065	\$ 79	\$ 2,700,000
-	-	280,151	5,431	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 92,364</u>	<u>\$ 280,151</u>	<u>\$ 181,496</u>	<u>\$ 79</u>	<u>\$ 2,700,000</u>
\$ -	\$ 23,796	\$ 152,670	\$ 456	\$ -	\$ -
-	-	-	-	-	-
-	-	39,800	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>23,796</u>	<u>192,470</u>	<u>456</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	68,568	87,681	181,040	79	2,700,000
-	-	-	-	-	-
<u>-</u>	<u>68,568</u>	<u>87,681</u>	<u>181,040</u>	<u>79</u>	<u>2,700,000</u>
<u>\$ -</u>	<u>\$ 92,364</u>	<u>\$ 280,151</u>	<u>\$ 181,496</u>	<u>\$ 79</u>	<u>\$ 2,700,000</u>

STATE OF NEW MEXICO  
EDDY COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2006

	Special Revenue Funds			
	Health Office Reserve	Protest Suspense Fund	COPS Grant	Alternate Sentencing
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,000,000	\$ 154,195	\$ 146,079	\$ 98,015
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	-	-	16,459
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ 2,000,000</u>	<u>\$ 154,195</u>	<u>\$ 146,079</u>	<u>\$ 114,474</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 559
Accrued expenses	-	-	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	154,195	-	-
<i>Total liabilities</i>	<u>-</u>	<u>154,195</u>	<u>-</u>	<u>559</u>
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Landfill closure	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund	-	-	-	-
Special revenue funds	2,000,000	-	146,079	113,915
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>2,000,000</u>	<u>-</u>	<u>146,079</u>	<u>113,915</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,000,000</u>	<u>\$ 154,195</u>	<u>\$ 146,079</u>	<u>\$ 114,474</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>Lodger's Tax</u>	<u>Eddy County DWI Fund</u>	<u>Traffic Safety Fund</u>	<u>Maternal and Child Health</u>	<u>Local Law Enforcement Block Grant</u>	<u>Pecos Valley Drug Task Force</u>
\$ 81,841	\$ 34,712	\$ 18,062	\$ 45,292	\$ 26,968	\$ 120,077
7,590	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>89,431</u>	<u>34,712</u>	<u>18,062</u>	<u>45,292</u>	<u>26,968</u>	<u>120,077</u>
\$ -	\$ 3,266	\$ -	\$ 1,086	\$ -	\$ -
-	3,560	-	1,633	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>6,826</u>	-	<u>2,719</u>	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
89,431	27,886	18,062	42,573	26,968	120,077
-	-	-	-	-	-
-	-	-	-	-	-
<u>89,431</u>	<u>27,886</u>	<u>18,062</u>	<u>42,573</u>	<u>26,968</u>	<u>120,077</u>
<u>\$ 89,431</u>	<u>\$ 34,712</u>	<u>\$ 18,062</u>	<u>\$ 45,292</u>	<u>\$ 26,968</u>	<u>\$ 120,077</u>

STATE OF NEW MEXICO  
 EDDY COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2006

ASSETS	Special Revenue Funds			
	Civil Emergency	Sheriff's Special	Artesia Eagle Draw	Region VI Task Force
Cash and cash equivalents	\$ 55,341	\$ 8,546	\$ 335,802	\$ -
Receivables:				
Taxes	-	-	16,758	-
Intergovernmental	-	-	-	67,215
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ 55,341</u>	<u>\$ 8,546</u>	<u>\$ 352,560</u>	<u>\$ 67,215</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts payable	\$ 2,753	\$ -	\$ -	\$ 215
Accrued expenses	3,582	-	-	-
Advances from general fund	-	-	-	-
Interfund payable	54,494	-	-	2,729
Deferred revenue	-	-	15,027	-
<i>Total liabilities</i>	<u>60,829</u>	<u>-</u>	<u>15,027</u>	<u>2,944</u>
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Landfill closure	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund	-	-	-	-
Special revenue funds	(5,488)	8,546	337,533	64,271
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>(5,488)</u>	<u>8,546</u>	<u>337,533</u>	<u>64,271</u>
<i>Total liabilities and fund balances</i>	<u>\$ 55,341</u>	<u>\$ 8,546</u>	<u>\$ 352,560</u>	<u>\$ 67,215</u>

The accompanying notes are an integral part of these financial statements.

Capital Projects Funds			Debt Service Funds		
Construction Fund	Fire Excise Tax-Gross Receipts	Capital Improvements	Fire Excise Bond Payment 1996	Bond Payment Gross Receipts	Eddy County Bond - 1998
\$ 522,400	\$ 2,380,794	\$ 3,196,706	\$ -	\$ -	\$ -
-	460,267	139,232	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 522,400</u>	<u>\$ 2,841,061</u>	<u>\$ 3,335,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 26,864	\$ 62,277	\$ 9,551	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,864</u>	<u>62,277</u>	<u>9,551</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
495,536	2,778,784	3,326,387	-	-	-
-	-	-	-	-	-
<u>495,536</u>	<u>2,778,784</u>	<u>3,326,387</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 522,400</u>	<u>\$ 2,841,061</u>	<u>\$ 3,335,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(This page intentionally left blank.)



STATE OF NEW MEXICO  
 EDDY COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2006

Statement A-1  
 (Page 7 of 7)

ASSETS	Debt Service Funds		
	NMFA Intercept Fund	Courthouse Gross Receipts	Total
Cash and cash equivalents	\$ -	\$ 1,000,000	\$ 16,777,587
Receivables:			
Taxes	-	-	862,135
Intergovernmental	-	-	427,064
Interest	-	-	-
Prepaid expenses	-	-	-
Advances to fire districts	-	-	-
Interfund receivable	-	-	4,046
Restricted cash and cash equivalents	20,585	-	617,955
<i>Total assets</i>	\$ 20,585	\$ 1,000,000	\$ 18,688,787
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ 341,811
Accrued expenses	-	-	31,580
Advances from general fund	-	-	112,845
Interfund payable	-	-	118,203
Deferred revenue	-	-	175,861
<i>Total liabilities</i>	-	-	780,300
<i>Fund balances:</i>			
Reserved for:			
Prepaid expenses	-	-	-
Advances to fire districts	-	-	-
Landfill closure	-	-	597,370
Unreserved:			
Undesignated, reported in:			
General fund	-	-	-
Special revenue funds	-	-	9,689,825
Capital projects funds	-	-	6,600,707
Debt service funds	20,585	1,000,000	1,020,585
<i>Total fund balances</i>	20,585	1,000,000	17,908,487
<i>Total liabilities and fund balances</i>	\$ 20,585	\$ 1,000,000	\$ 18,688,787

The accompanying notes are an integral part of these 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, 2006

Special Revenue Funds

	Farm and Range	Recreation	Environmental Services	Atoka Fire District
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ 111	\$ 1,391,912	\$ -
Licenses and permits	-	-	71,283	-
Intergovernmental	32,445	50	-	219,971
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>32,445</u>	<u>161</u>	<u>1,463,195</u>	<u>219,971</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	480,732	-
Public safety	-	-	-	70,898
Highways and roads	45,000	-	-	-
Health and sanitation	-	-	219,534	-
Culture and recreation	-	58,584	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>45,000</u>	<u>58,584</u>	<u>700,266</u>	<u>70,898</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,555)</u>	<u>(58,423)</u>	<u>762,929</u>	<u>149,073</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	20,000	58,268	-	9,764
<i>Total other financing sources (uses)</i>	<u>20,000</u>	<u>58,268</u>	<u>-</u>	<u>9,764</u>
<i>Net changes in fund balances</i>	7,445	(155)	762,929	158,837
<i>Fund balance - beginning of year</i>	<u>486</u>	<u>(68)</u>	<u>694,176</u>	<u>86,591</u>
<i>Fund balance - end of year</i>	<u>\$ 7,931</u>	<u>\$ (223)</u>	<u>\$ 1,457,105</u>	<u>\$ 245,428</u>

The accompanying notes are an integral part of these 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, 2006

Special Revenue Funds

	White's City Fire District	Property Valuation	EMS - Atoka	EMS - Loco Hills
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ 168,344	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	133,134	-	15,294	8,706
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>133,134</u>	<u>168,344</u>	<u>15,294</u>	<u>8,706</u>
<i>Expenditures:</i>				
Current:				
General government	-	163,318	-	-
Public safety	54,517	-	2,346	11,093
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>54,517</u>	<u>163,318</u>	<u>2,346</u>	<u>11,093</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>78,617</u>	<u>5,026</u>	<u>12,948</u>	<u>(2,387)</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	5,910	-	(9,764)	(2,769)
<i>Total other financing sources (uses)</i>	<u>5,910</u>	<u>-</u>	<u>(9,764)</u>	<u>(2,769)</u>
<i>Net changes in fund balances</i>	84,527	5,026	3,184	(5,156)
<i>Fund balance - beginning of year</i>	<u>9,487</u>	<u>153,292</u>	<u>4,082</u>	<u>5,156</u>
<i>Fund balance - end of year</i>	<u>\$ 94,014</u>	<u>\$ 158,318</u>	<u>\$ 7,266</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

EMS - Happy Valley	EMS - Joel	Sun Country Fire District	Queen Fire District	Riverside Fire District	EMS - Queen
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
16,864	16,477	191,326	73,321	73,321	7,461
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,864</u>	<u>16,477</u>	<u>191,326</u>	<u>73,321</u>	<u>73,321</u>	<u>7,461</u>
-	-	-	-	-	-
8,440	2,573	60,891	23,004	35,219	3,410
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,440</u>	<u>2,573</u>	<u>60,891</u>	<u>23,004</u>	<u>35,219</u>	<u>3,410</u>
<u>8,424</u>	<u>13,904</u>	<u>130,435</u>	<u>50,317</u>	<u>38,102</u>	<u>4,051</u>
-	-	-	-	-	-
(9,764)	(11,477)	6,595	3,255	3,255	(3,255)
<u>(9,764)</u>	<u>(11,477)</u>	<u>6,595</u>	<u>3,255</u>	<u>3,255</u>	<u>(3,255)</u>
(1,340)	2,427	137,030	53,572	41,357	796
<u>1,342</u>	<u>-</u>	<u>25,260</u>	<u>43,918</u>	<u>16,635</u>	<u>(750)</u>
<u>\$ 2</u>	<u>\$ 2,427</u>	<u>\$ 162,290</u>	<u>\$ 97,490</u>	<u>\$ 57,992</u>	<u>\$ 46</u>

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, 2006

	Special Revenue Funds			
	EMS - Sun Country	HIDTA Grant- Metro Agency	EMS - Riverside	EMS - Cottonwood
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	11,701	185,487	10,282	16,764
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>11,701</u>	<u>185,487</u>	<u>10,282</u>	<u>16,764</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	12,736	282,443	938	574
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>12,736</u>	<u>282,443</u>	<u>938</u>	<u>574</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,035)</u>	<u>(96,956)</u>	<u>9,344</u>	<u>16,190</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	(6,595)	-	(3,255)	(9,764)
<i>Total other financing sources (uses)</i>	<u>(6,595)</u>	<u>-</u>	<u>(3,255)</u>	<u>(9,764)</u>
<i>Net changes in fund balances</i>	(7,630)	(96,956)	6,089	6,426
<i>Fund balance - beginning of year</i>	<u>7,630</u>	<u>98,948</u>	<u>3,654</u>	<u>11,261</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ 1,992</u>	<u>\$ 9,743</u>	<u>\$ 17,687</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

EMS - Otis	GIS Grant	County Clerk Recording and Filing	EMS - Malaga	Treasurer's Collection Fund	Malaga Fire District
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
16,150	-	-	10,669	-	73,321
-	47,433	-	-	8,631	-
-	-	-	-	-	-
-	-	63,316	-	-	-
<u>16,150</u>	<u>47,433</u>	<u>63,316</u>	<u>10,669</u>	<u>8,631</u>	<u>73,321</u>
-	5,125	46,166	-	9,383	-
6,658	-	-	9,688	-	42,613
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,658</u>	<u>5,125</u>	<u>46,166</u>	<u>9,688</u>	<u>9,383</u>	<u>42,613</u>
<u>9,492</u>	<u>42,308</u>	<u>17,150</u>	<u>981</u>	<u>(752)</u>	<u>30,708</u>
-	-	-	-	-	-
<u>(9,250)</u>	<u>-</u>	<u>-</u>	<u>(3,255)</u>	<u>-</u>	<u>7,833</u>
<u>(9,250)</u>	<u>-</u>	<u>-</u>	<u>(3,255)</u>	<u>-</u>	<u>7,833</u>
242	42,308	17,150	(2,274)	(752)	38,541
<u>(159)</u>	<u>640,205</u>	<u>193,365</u>	<u>724</u>	<u>4,109</u>	<u>3,396</u>
<u>\$ 83</u>	<u>\$ 682,513</u>	<u>\$ 210,515</u>	<u>\$ (1,550)</u>	<u>\$ 3,357</u>	<u>\$ 41,937</u>

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, 2006

Special Revenue Funds

	Healthier Services	Artesia Motor Vehicle	EMS - La Huerta	EMS - White's City
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	145,063	-	-
Intergovernmental	389	-	15,782	14,421
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	1,167	-	-
<i>Total revenues</i>	<u>389</u>	<u>146,230</u>	<u>15,782</u>	<u>14,421</u>
<i>Expenditures:</i>				
Current:				
General government	-	143,952	-	-
Public safety	-	-	6,387	10,923
Highways and roads	-	-	-	-
Health and sanitation	107,917	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>107,917</u>	<u>143,952</u>	<u>6,387</u>	<u>10,923</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(107,528)</u>	<u>2,278</u>	<u>9,395</u>	<u>3,498</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	136,000	-	(10,278)	(5,628)
<i>Total other financing sources (uses)</i>	<u>136,000</u>	<u>-</u>	<u>(10,278)</u>	<u>(5,628)</u>
<i>Net changes in fund balances</i>	28,472	2,278	(883)	(2,130)
<i>Fund balance - beginning of year</i>	<u>39,642</u>	<u>50,801</u>	<u>1,525</u>	<u>399</u>
<i>Fund balance - end of year</i>	<u>\$ 68,114</u>	<u>\$ 53,079</u>	<u>\$ 642</u>	<u>\$ (1,731)</u>

The accompanying notes are an integral part of these financial statements.



Special Revenue Funds

Law Enforcement Protection Act	Correction Fees	CDBG Colonias	Detention Fees	E-911 Addressing Program	Loop Road Reserve
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	103,304	280,151	-	-	-
-	-	-	78,548	-	-
-	-	-	-	-	-
-	-	-	758	-	-
-	103,304	280,151	79,306	-	-
-	-	-	-	-	-
52,059	202,074	-	62,446	-	-
-	-	-	-	-	-
-	-	291,143	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
52,059	202,074	291,143	62,446	-	-
(52,059)	(98,770)	(10,992)	16,860	-	-
-	-	-	-	-	-
-	-	-	-	-	2,700,000
-	-	-	-	-	2,700,000
(52,059)	(98,770)	(10,992)	16,860	-	2,700,000
52,059	167,338	98,673	164,180	79	-
\$ -	\$ 68,568	\$ 87,681	\$ 181,040	\$ 79	\$ 2,700,000

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, 2006

	Special Revenue Funds			
	Health Office Reserve	Protest Suspense Fund	COPS Grant	Alternate Sentencing
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	53,710
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	500
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,210</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	40,602
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,602</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,608</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	2,000,000	-	-	13,608
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>146,079</u>	<u>100,307</u>
<i>Fund balance - end of year</i>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 146,079</u>	<u>\$ 113,915</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

Lodger's Tax	Eddy County DWI Fund	Traffic Safety Fund	Maternal and Child Health	Local Law Enforcement Block Grant	Pecos Valley Drug Task Force
\$ 78,225	\$ -	\$ -	\$ -	\$ -	\$ -
-	15,994	-	-	-	-
-	181,212	19,254	75,225	1,955	14,962
-	-	24,000	-	-	-
-	-	-	-	-	-
-	14,677	-	-	-	-
<u>78,225</u>	<u>211,883</u>	<u>43,254</u>	<u>75,225</u>	<u>1,955</u>	<u>14,962</u>
-	-	-	59,134	-	-
-	235,844	37,724	-	-	29,000
-	-	-	-	-	-
80,000	-	-	-	-	-
-	-	-	-	-	-
<u>80,000</u>	<u>235,844</u>	<u>37,724</u>	<u>59,134</u>	<u>-</u>	<u>29,000</u>
<u>(1,775)</u>	<u>(23,961)</u>	<u>5,530</u>	<u>16,091</u>	<u>1,955</u>	<u>(14,038)</u>
-	-	-	-	-	-
-	(1,600)	1,600	-	-	-
-	(1,600)	1,600	-	-	-
(1,775)	(25,561)	7,130	16,091	1,955	(14,038)
<u>91,206</u>	<u>53,447</u>	<u>10,932</u>	<u>26,482</u>	<u>25,013</u>	<u>134,115</u>
<u>\$ 89,431</u>	<u>\$ 27,886</u>	<u>\$ 18,062</u>	<u>\$ 42,573</u>	<u>\$ 26,968</u>	<u>\$ 120,077</u>

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, 2006

	Special Revenue Funds			
	Civil Emergency	Sheriff's Special	Artesia Eagle Draw	Region VI Task Force
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ 240,590	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	128,206	2,124	-	67,215
Charges for services	9,375	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>137,581</u>	<u>2,124</u>	<u>240,590</u>	<u>67,215</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	154,320	-	83,296	2,944
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	502,165	-	-	-
<i>Total expenditures</i>	<u>656,485</u>	<u>-</u>	<u>83,296</u>	<u>2,944</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(518,904)</u>	<u>2,124</u>	<u>157,294</u>	<u>64,271</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	543,466	-	-	-
<i>Total other financing sources (uses)</i>	<u>543,466</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	24,562	2,124	157,294	64,271
<i>Fund balance - beginning of year</i>	<u>(30,050)</u>	<u>6,422</u>	<u>180,239</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ (5,488)</u>	<u>\$ 8,546</u>	<u>\$ 337,533</u>	<u>\$ 64,271</u>

The accompanying notes are an integral part of these financial statements.

Capital Projects Funds			Debt Service Funds		
Construction Fund	Fire Excise Tax-Gross Receipts	Capital Improvements	Fire Excise Bond Payment 1996	Bond Payment Gross Receipts	Eddy County Bond - 1998
\$ -	\$ 2,495,183	\$ 935,176	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,495,183	935,176	-	-	-
2,848	-	-	-	-	-
-	87,264	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
662,977	2,299,831	361,641	-	-	-
665,825	2,387,095	361,641	-	-	-
(665,825)	108,088	573,535	-	-	-
-	-	17,011	-	-	-
1,048,008	(5,345)	-	(91,866)	(711,823)	(162,671)
1,048,008	(5,345)	17,011	(91,866)	(711,823)	(162,671)
382,183	102,743	590,546	(91,866)	(711,823)	(162,671)
113,353	2,676,041	2,735,841	91,866	711,823	162,671
\$ 495,536	\$ 2,778,784	\$ 3,326,387	\$ -	\$ -	\$ -

(This page intentionally left blank.)

STATE OF NEW MEXICO  
EDDY COUNTY

Statement A-2  
(Page 7 of 7)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the year ended June 30, 2006

	<u>Debt Service Funds</u>		<u>Total</u>
	<u>NMFA Intercept Fund</u>	<u>Courthouse Gross Receipts</u>	
<i>Revenues:</i>			
Sales and miscellaneous taxes	\$ -	\$ -	\$ 5,312,104
Licenses and permits	-	-	232,340
Intergovernmental	-	-	3,236,253
Charges for services	-	-	167,987
Investment earnings	318	-	1,317
Miscellaneous	-	-	80,418
<i>Total revenues</i>	<u>318</u>	<u>-</u>	<u>9,030,419</u>
<i>Expenditures:</i>			
Current:			
General government	-	-	910,658
Public safety	-	-	1,994,994
Highways and roads	-	-	45,000
Health and sanitation	-	-	368,053
Culture and recreation	-	-	429,727
Debt service	-	-	45,400
Capital outlay	-	-	3,830,497
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>7,624,329</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>318</u>	<u>-</u>	<u>1,406,090</u>
<i>Other financing sources (uses):</i>			
Sale of capital assets	-	-	17,011
Operating transfers in (out)	-	(81,648)	5,457,735
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(81,648)</u>	<u>5,474,746</u>
<i>Net changes in fund balances</i>	318	(81,648)	6,880,836
<i>Fund balance - beginning of year</i>	<u>20,267</u>	<u>1,081,648</u>	<u>11,027,651</u>
<i>Fund balance - end of year</i>	<u>\$ 20,585</u>	<u>\$ 1,000,000</u>	<u>\$ 17,908,487</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-3

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	25,000	25,000	32,445	7,445
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>32,445</u>	<u>7,445</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	45,000	45,000	45,000	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,000)</u>	<u>(20,000)</u>	<u>(12,555)</u>	<u>7,445</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	20,000	20,000	20,000	-
<i>Total other financing sources (uses)</i>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	7,445	7,445
<i>Fund balance - beginning of year</i>	-	-	486	486
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,931</u>	\$ <u>7,931</u>

The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO  
EDDY COUNTY  
RECREATION

Statement A-4

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 100	\$ 100	\$ 111	\$ 11
Licenses and permits	-	-	-	-
Intergovernmental	-	-	50	50
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	100	100	161	61
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	58,700	58,700	58,700	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	58,700	58,700	58,700	-
<i>Excess (deficiency) of revenues over expenditures</i>	(58,600)	(58,600)	(58,539)	61
<i>Other financing sources (uses):</i>				
Designated cash	332	332	-	(332)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	58,268	58,268	58,268	-
<i>Total other financing sources (uses)</i>	58,600	58,600	58,268	(332)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(271)	(271)
<i>Fund balance - beginning of year</i>	-	-	353	353
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 82	\$ 82

The accompanying notes are an integral part of these 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, 2006

Statement A-5

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 650,000	\$ 650,000	\$ 1,202,943	\$ 552,943
Licenses and permits	100,000	100,000	85,480	(14,520)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	750,000	750,000	1,288,423	538,423
<i>Expenditures:</i>				
<i>Current:</i>				
General government	496,500	496,500	473,588	22,912
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	241,175	243,216	222,904	20,312
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	737,675	739,716	696,492	43,224
<i>Excess (deficiency) of revenues over expenditures</i>	12,325	10,284	591,931	581,647
<i>Other financing sources (uses):</i>				
Designated cash	(12,325)	(10,284)	-	10,284
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	(12,325)	(10,284)	-	10,284
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	591,931	591,931
<i>Fund balance - beginning of year</i>	-	-	653,191	653,191
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 1,245,122	\$ 1,245,122

The accompanying notes are an integral part of these 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, 2006

Statement A-6

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	97,640	97,640	219,971	122,331
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>97,640</u>	<u>97,640</u>	<u>219,971</u>	<u>122,331</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	188,527	198,291	72,673	125,618
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>188,527</u>	<u>198,291</u>	<u>72,673</u>	<u>125,618</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(90,887)</u>	<u>(100,651)</u>	<u>147,298</u>	<u>247,949</u>
<i>Other financing sources (uses):</i>				
Designated cash	90,887	100,651	-	(100,651)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	9,764	9,764
<i>Total other financing sources (uses)</i>	<u>90,887</u>	<u>100,651</u>	<u>9,764</u>	<u>(90,887)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	157,062	157,062
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>90,887</u>	<u>90,887</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,949</u>	<u>\$ 247,949</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-7

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	97,640	97,640	220,045	122,405
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>97,640</u>	<u>97,640</u>	<u>220,045</u>	<u>122,405</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	278,313	288,077	68,635	219,442
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>278,313</u>	<u>288,077</u>	<u>68,635</u>	<u>219,442</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(180,673)</u>	<u>(190,437)</u>	<u>151,410</u>	<u>341,847</u>
<i>Other financing sources (uses):</i>				
Designated cash	180,673	190,437	-	(190,437)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	9,764	9,764
<i>Total other financing sources (uses)</i>	<u>180,673</u>	<u>190,437</u>	<u>9,764</u>	<u>(180,673)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	161,174	161,174
<i>Fund balance - beginning of year</i>	-	-	180,674	180,674
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,848</u>	<u>\$ 341,848</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-8

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	77,674	77,674	162,015	84,341
Charges for services	-	-	-	-
Investment earnings	-	-	298	298
Miscellaneous	-	-	-	-
<i>Total revenues</i>	77,674	77,674	162,313	84,639
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	90,458	100,222	74,534	25,688
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	19,434	(19,434)
Capital outlay	-	-	-	-
<i>Total expenditures</i>	90,458	100,222	93,968	6,254
<i>Excess (deficiency) of revenues over expenditures</i>	(12,784)	(22,548)	68,345	90,893
<i>Other financing sources (uses):</i>				
Designated cash	12,784	22,548	-	(22,548)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	9,764	9,764
<i>Total other financing sources (uses)</i>	12,784	22,548	9,764	(12,784)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	78,109	78,109
<i>Fund balance - beginning of year</i>	-	-	11,605	11,605
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 89,714	\$ 89,714

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-9

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	114,769	114,769	278,539	163,770
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>114,769</u>	<u>114,769</u>	<u>278,539</u>	<u>163,770</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	135,363	146,840	100,775	46,065
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>135,363</u>	<u>146,840</u>	<u>100,775</u>	<u>46,065</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,594)</u>	<u>(32,071)</u>	<u>177,764</u>	<u>209,835</u>
<i>Other financing sources (uses):</i>				
Designated cash	20,594	32,071	-	(32,071)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	11,477	11,477
<i>Total other financing sources (uses)</i>	<u>20,594</u>	<u>32,071</u>	<u>11,477</u>	<u>(20,594)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	189,241	189,241
<i>Fund balance - beginning of year</i>	-	-	(46,682)	(46,682)
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>142,559</u>	\$ <u>142,559</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-10

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ 2,563	\$ 2,563
Licenses and permits	-	-	-	-
Intergovernmental	76,411	76,411	216,989	140,578
Charges for services	-	-	-	-
Investment earnings	-	-	701	701
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>76,411</u>	<u>76,411</u>	<u>220,253</u>	<u>143,842</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	50,000	60,278	65,041	(4,763)
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	25,966	(25,966)
Capital outlay	27,262	27,262	21,516	5,746
<i>Total expenditures</i>	<u>77,262</u>	<u>87,540</u>	<u>112,523</u>	<u>(24,983)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(851)</u>	<u>(11,129)</u>	<u>107,730</u>	<u>118,859</u>
<i>Other financing sources (uses):</i>				
Designated cash	851	11,129	-	(11,129)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	10,278	10,278
<i>Total other financing sources (uses)</i>	<u>851</u>	<u>11,129</u>	<u>10,278</u>	<u>(851)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	118,008	118,008
<i>Fund balance - beginning of year</i>	-	-	851	851
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,859</u>	<u>\$ 118,859</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 LOCO HILLS FIRE DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 For the year ended June 30, 2006

Statement A-11

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	32,548	32,548	73,433	40,885
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	32,548	32,548	73,433	40,885
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	32,548	35,802	32,572	3,230
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	32,548	35,802	32,572	3,230
<i>Excess (deficiency) of revenues over expenditures</i>	-	(3,254)	40,861	44,115
<i>Other financing sources (uses):</i>				
Designated cash	-	3,254	-	(3,254)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	3,255	3,255
<i>Total other financing sources (uses)</i>	-	3,254	3,255	1
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	44,116	44,116
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 44,116	\$ 44,116

The accompanying notes are an integral part of these financial statements.



## STATE OF NEW MEXICO

Statement A-12

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	92,502	92,502	214,578	122,076
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>92,502</u>	<u>92,502</u>	<u>214,578</u>	<u>122,076</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	165,336	174,586	65,546	109,040
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>165,336</u>	<u>174,586</u>	<u>65,546</u>	<u>109,040</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(72,834)</u>	<u>(82,084)</u>	<u>149,032</u>	<u>231,116</u>
<i>Other financing sources (uses):</i>				
Designated cash	72,834	82,084	-	(82,084)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	9,250	9,250
<i>Total other financing sources (uses)</i>	<u>72,834</u>	<u>82,084</u>	<u>9,250</u>	<u>(72,834)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	158,282	158,282
<i>Fund balance - beginning of year</i>	-	-	7,266	7,266
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>165,548</u>	\$ <u>165,548</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-13

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	59,100	59,100	133,134	74,034
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>59,100</u>	<u>59,100</u>	<u>133,134</u>	<u>74,034</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	69,515	75,425	52,552	22,873
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>69,515</u>	<u>75,425</u>	<u>52,552</u>	<u>22,873</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,415)</u>	<u>(16,325)</u>	<u>80,582</u>	<u>96,907</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,415	16,325	-	(16,325)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	5,910	5,910
<i>Total other financing sources (uses)</i>	<u>10,415</u>	<u>16,325</u>	<u>5,910</u>	<u>(10,415)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>86,492</u>	<u>86,492</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,416</u>	<u>10,416</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,908</u>	<u>\$ 96,908</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-14

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 140,000	\$ 140,000	\$ 166,816	\$ 26,816
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>140,000</u>	<u>140,000</u>	<u>166,816</u>	<u>26,816</u>
<i>Expenditures:</i>				
Current:				
General government	150,667	178,793	163,564	15,229
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>150,667</u>	<u>178,793</u>	<u>163,564</u>	<u>15,229</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,667)</u>	<u>(38,793)</u>	<u>3,252</u>	<u>42,045</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,667	38,793	-	(38,793)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,667</u>	<u>38,793</u>	<u>-</u>	<u>(38,793)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,252</u>	<u>3,252</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>157,442</u>	<u>157,442</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,694</u>	<u>\$ 160,694</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-15

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	5,530	5,530	15,294	9,764
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,530</u>	<u>5,530</u>	<u>15,294</u>	<u>9,764</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	9,610	9,610	2,345	7,265
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>9,610</u>	<u>9,610</u>	<u>2,345</u>	<u>7,265</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,080)</u>	<u>(4,080)</u>	<u>12,949</u>	<u>17,029</u>
<i>Other financing sources (uses):</i>				
Designated cash	4,080	4,080	-	(4,080)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(9,764)	(9,764)
<i>Total other financing sources (uses)</i>	<u>4,080</u>	<u>4,080</u>	<u>(9,764)</u>	<u>(13,844)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	3,185	3,185
<i>Fund balance - beginning of year</i>	-	-	4,081	4,081
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,266</u>	\$ <u>7,266</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-16

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	5,450	5,450	8,706	3,256
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,450</u>	<u>5,450</u>	<u>8,706</u>	<u>3,256</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	10,900	14,100	11,387	2,713
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>10,900</u>	<u>14,100</u>	<u>11,387</u>	<u>2,713</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,450)</u>	<u>(8,650)</u>	<u>(2,681)</u>	<u>5,969</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,450	8,650	-	(8,650)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(2,769)	(2,769)
<i>Total other financing sources (uses)</i>	<u>5,450</u>	<u>8,650</u>	<u>(2,769)</u>	<u>(11,419)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(5,450)	(5,450)
<i>Fund balance - beginning of year</i>	-	-	5,450	5,450
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-17

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	7,100	7,100	16,864	9,764
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,100</u>	<u>7,100</u>	<u>16,864</u>	<u>9,764</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	8,441	8,441	8,440	1
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>8,441</u>	<u>8,441</u>	<u>8,440</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,341)</u>	<u>(1,341)</u>	<u>8,424</u>	<u>9,765</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,341	1,341	-	(1,341)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(9,764)	(9,764)
<i>Total other financing sources (uses)</i>	<u>1,341</u>	<u>1,341</u>	<u>(9,764)</u>	<u>(11,105)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(1,340)	(1,340)
<i>Fund balance - beginning of year</i>	-	-	1,342	1,342
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-18

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	5,000	5,000	16,477	11,477
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>16,477</u>	<u>11,477</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	5,000	5,000	2,573	2,427
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>2,573</u>	<u>2,427</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>13,904</u>	<u>13,904</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(11,477)	(11,477)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(11,477)</u>	<u>(11,477)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,427</u>	<u>2,427</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,427</u>	<u>\$ 2,427</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-19

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	65,949	65,949	191,326	125,377
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>65,949</u>	<u>65,949</u>	<u>191,326</u>	<u>125,377</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	92,804	99,398	60,132	39,266
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>92,804</u>	<u>99,398</u>	<u>60,132</u>	<u>39,266</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(26,855)</u>	<u>(33,449)</u>	<u>131,194</u>	<u>164,643</u>
<i>Other financing sources (uses):</i>				
Designated cash	26,855	33,449	-	(33,449)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	6,595	6,595
<i>Total other financing sources (uses)</i>	<u>26,855</u>	<u>33,449</u>	<u>6,595</u>	<u>(26,854)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>137,789</u>	<u>137,789</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>26,855</u>	<u>26,855</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,644</u>	<u>\$ 164,644</u>

The accompanying notes are an integral part of these financial statements.



## STATE OF NEW MEXICO

Statement A-20

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	32,548	32,548	73,321	40,773
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>32,548</u>	<u>32,548</u>	<u>73,321</u>	<u>40,773</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	76,650	95,104	22,173	72,931
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>76,650</u>	<u>95,104</u>	<u>22,173</u>	<u>72,931</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(44,102)</u>	<u>(62,556)</u>	<u>51,148</u>	<u>113,704</u>
<i>Other financing sources (uses):</i>				
Designated cash	44,102	62,556	-	(62,556)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	3,255	3,255
<i>Total other financing sources (uses)</i>	<u>44,102</u>	<u>62,556</u>	<u>3,255</u>	<u>(59,301)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	54,403	54,403
<i>Fund balance - beginning of year</i>	-	-	44,102	44,102
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>98,505</u>	\$ <u>98,505</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-21

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	32,548	32,548	73,321	40,773
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>32,548</u>	<u>32,548</u>	<u>73,321</u>	<u>40,773</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	51,227	54,481	36,351	18,130
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>51,227</u>	<u>54,481</u>	<u>36,351</u>	<u>18,130</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(18,679)</u>	<u>(21,933)</u>	<u>36,970</u>	<u>58,903</u>
<i>Other financing sources (uses):</i>				
Designated cash	18,679	21,933	-	(21,933)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	3,255	3,255
<i>Total other financing sources (uses)</i>	<u>18,679</u>	<u>21,933</u>	<u>3,255</u>	<u>(18,678)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>40,225</u>	<u>40,225</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>18,680</u>	<u>18,680</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,905</u>	<u>\$ 58,905</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-22

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	3,106	3,106	7,461	4,355
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,106</u>	<u>3,106</u>	<u>7,461</u>	<u>4,355</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,165	4,265	4,220	45
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,165</u>	<u>4,265</u>	<u>4,220</u>	<u>45</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(59)</u>	<u>(1,159)</u>	<u>3,241</u>	<u>4,400</u>
<i>Other financing sources (uses):</i>				
Designated cash	59	1,159	-	(1,159)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(3,255)	(3,255)
<i>Total other financing sources (uses)</i>	<u>59</u>	<u>1,159</u>	<u>(3,255)</u>	<u>(4,414)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(14)	(14)
<i>Fund balance - beginning of year</i>	-	-	60	60
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>46</u>	\$ <u>46</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-23

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	5,106	5,106	11,701	6,595
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,106</u>	<u>5,106</u>	<u>11,701</u>	<u>6,595</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	12,999	12,999	12,999	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>12,999</u>	<u>12,999</u>	<u>12,999</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,893)</u>	<u>(7,893)</u>	<u>(1,298)</u>	<u>6,595</u>
<i>Other financing sources (uses):</i>				
Designated cash	7,893	7,893	-	(7,893)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(6,595)	(6,595)
<i>Total other financing sources (uses)</i>	<u>7,893</u>	<u>7,893</u>	<u>(6,595)</u>	<u>(14,488)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(7,893)	(7,893)
<i>Fund balance - beginning of year</i>	-	-	7,893	7,893
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-24

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	295,368	295,368	262,403	(32,965)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>295,368</u>	<u>295,368</u>	<u>262,403</u>	<u>(32,965)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	280,530	289,085	276,771	12,314
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>280,530</u>	<u>289,085</u>	<u>276,771</u>	<u>12,314</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>14,838</u>	<u>6,283</u>	<u>(14,368)</u>	<u>(20,651)</u>
<i>Other financing sources (uses):</i>				
Designated cash	(14,838)	(6,283)	-	6,283
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(14,838)</u>	<u>(6,283)</u>	<u>-</u>	<u>6,283</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(14,368)</u>	<u>(14,368)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,096</u>	<u>30,096</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,728</u>	<u>\$ 15,728</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
EDDY COUNTY  
EMS - RIVERSIDE

Statement A-25

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	7,026	7,026	10,283	3,257
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,026</u>	<u>7,026</u>	<u>10,283</u>	<u>3,257</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	10,679	10,679	938	9,741
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>10,679</u>	<u>10,679</u>	<u>938</u>	<u>9,741</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,653)</u>	<u>(3,653)</u>	<u>9,345</u>	<u>12,998</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,653	3,653	-	(3,653)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(3,255)	(3,255)
<i>Total other financing sources (uses)</i>	<u>3,653</u>	<u>3,653</u>	<u>(3,255)</u>	<u>(6,908)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	6,090	6,090
<i>Fund balance - beginning of year</i>	-	-	3,653	3,653
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,743</u>	<u>\$ 9,743</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-26

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	7,000	7,000	16,764	9,764
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,000</u>	<u>7,000</u>	<u>16,764</u>	<u>9,764</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	18,260	18,260	574	17,686
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>18,260</u>	<u>18,260</u>	<u>574</u>	<u>17,686</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,260)</u>	<u>(11,260)</u>	<u>16,190</u>	<u>27,450</u>
<i>Other financing sources (uses):</i>				
Designated cash	11,260	11,260	-	(11,260)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(9,764)	(9,764)
<i>Total other financing sources (uses)</i>	<u>11,260</u>	<u>11,260</u>	<u>(9,764)</u>	<u>(21,024)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	6,426	6,426
<i>Fund balance - beginning of year</i>	-	-	11,261	11,261
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>17,687</u>	\$ <u>17,687</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
EDDY COUNTY  
EMS - OTIS

Statement A-27

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	6,900	6,900	16,150	9,250
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	6,900	6,900	16,150	9,250
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	6,945	6,945	5,328	1,617
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	6,945	6,945	5,328	1,617
<i>Excess (deficiency) of revenues over expenditures</i>	(45)	(45)	10,822	10,867
<i>Other financing sources (uses):</i>				
Designated cash	45	45	-	(45)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(9,250)	(9,250)
<i>Total other financing sources (uses)</i>	45	45	(9,250)	(9,295)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	1,572	1,572
<i>Fund balance - beginning of year</i>	-	-	46	46
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 1,618	\$ 1,618

The accompanying notes are an integral part of these financial statements.



## STATE OF NEW MEXICO

Statement A-28

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	8,000	8,000	10,433	2,433
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,000</u>	<u>8,000</u>	<u>10,433</u>	<u>2,433</u>
<i>Expenditures:</i>				
Current:				
General government	600,000	600,000	7,174	592,826
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>600,000</u>	<u>600,000</u>	<u>7,174</u>	<u>592,826</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(592,000)</u>	<u>(592,000)</u>	<u>3,259</u>	<u>595,259</u>
<i>Other financing sources (uses):</i>				
Designated cash	592,000	592,000	-	(592,000)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>592,000</u>	<u>592,000</u>	<u>-</u>	<u>(592,000)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	3,259	3,259
<i>Fund balance - beginning of year</i>	-	-	642,254	642,254
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>645,513</u>	\$ <u>645,513</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-29

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	40,000	40,000	63,316	23,316
<i>Total revenues</i>	<u>40,000</u>	<u>40,000</u>	<u>63,316</u>	<u>23,316</u>
<i>Expenditures:</i>				
Current:				
General government	45,069	52,846	46,124	6,722
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>45,069</u>	<u>52,846</u>	<u>46,124</u>	<u>6,722</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,069)</u>	<u>(12,846)</u>	<u>17,192</u>	<u>30,038</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,069	12,846	-	(12,846)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,069</u>	<u>12,846</u>	<u>-</u>	<u>(12,846)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	17,192	17,192
<i>Fund balance - beginning of year</i>	-	-	193,365	193,365
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,557</u>	<u>\$ 210,557</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-30

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	7,397	7,397	10,668	3,271
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,397</u>	<u>7,397</u>	<u>10,668</u>	<u>3,271</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	8,120	8,120	8,120	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>8,120</u>	<u>8,120</u>	<u>8,120</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(723)</u>	<u>(723)</u>	<u>2,548</u>	<u>3,271</u>
<i>Other financing sources (uses):</i>				
Designated cash	723	723	-	(723)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(3,255)	(3,255)
<i>Total other financing sources (uses)</i>	<u>723</u>	<u>723</u>	<u>(3,255)</u>	<u>(3,978)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(707)	(707)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>724</u>	<u>724</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 17</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-31

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	10,000	10,000	8,631	(1,369)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>8,631</u>	<u>(1,369)</u>
<i>Expenditures:</i>				
Current:				
General government	10,000	10,000	9,383	617
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>9,383</u>	<u>617</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(752)</u>	<u>(752)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(752)</u>	<u>(752)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,109</u>	<u>4,109</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,357</u>	<u>\$ 3,357</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-32

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	32,548	32,548	73,321	40,773
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>32,548</u>	<u>32,548</u>	<u>73,321</u>	<u>40,773</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	36,832	44,664	41,363	3,301
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>36,832</u>	<u>44,664</u>	<u>41,363</u>	<u>3,301</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,284)</u>	<u>(12,116)</u>	<u>31,958</u>	<u>44,074</u>
<i>Other financing sources (uses):</i>				
Designated cash	4,284	12,116	-	(12,116)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	7,833	7,833
<i>Total other financing sources (uses)</i>	<u>4,284</u>	<u>12,116</u>	<u>7,833</u>	<u>(4,283)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	39,791	39,791
<i>Fund balance - beginning of year</i>	-	-	4,284	4,284
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,075</u>	<u>\$ 44,075</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-33

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	389	389
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>389</u>	<u>389</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	123,085	124,655	108,063	16,592
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>123,085</u>	<u>124,655</u>	<u>108,063</u>	<u>16,592</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(123,085)</u>	<u>(124,655)</u>	<u>(107,674)</u>	<u>16,981</u>
<i>Other financing sources (uses):</i>				
Designated cash	(1,915)	(345)	-	345
Sale of capital assets	-	-	-	-
Operating transfers in (out)	125,000	125,000	136,000	11,000
<i>Total other financing sources (uses)</i>	<u>123,085</u>	<u>124,655</u>	<u>136,000</u>	<u>11,345</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	28,326	28,326
<i>Fund balance - beginning of year</i>	-	-	43,204	43,204
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,530</u>	<u>\$ 71,530</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-34

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	125,000	125,000	124,255	(745)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	1,167	1,167
<i>Total revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>125,422</u>	<u>422</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	149,039	152,037	142,750	9,287
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>149,039</u>	<u>152,037</u>	<u>142,750</u>	<u>9,287</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(24,039)</u>	<u>(27,037)</u>	<u>(17,328)</u>	<u>9,709</u>
<i>Other financing sources (uses):</i>				
Designated cash	24,039	27,037	-	(27,037)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>24,039</u>	<u>27,037</u>	<u>-</u>	<u>(27,037)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(17,328)	(17,328)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>55,377</u>	<u>55,377</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,049</u>	<u>\$ 38,049</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-35

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	5,503	5,503	15,782	10,279
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,503</u>	<u>5,503</u>	<u>15,782</u>	<u>10,279</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	7,028	7,028	6,387	641
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>7,028</u>	<u>7,028</u>	<u>6,387</u>	<u>641</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,525)</u>	<u>(1,525)</u>	<u>9,395</u>	<u>10,920</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,525	1,525	-	(1,525)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(10,278)	(10,278)
<i>Total other financing sources (uses)</i>	<u>1,525</u>	<u>1,525</u>	<u>(10,278)</u>	<u>(11,803)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(883)	(883)
<i>Fund balance - beginning of year</i>	-	-	1,525	1,525
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642</u>	<u>\$ 642</u>

The accompanying notes are an integral part of these financial statements.



## STATE OF NEW MEXICO

Statement A-36

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	8,510	8,510	14,421	5,911
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,510</u>	<u>8,510</u>	<u>14,421</u>	<u>5,911</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	8,908	9,422	9,192	230
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>8,908</u>	<u>9,422</u>	<u>9,192</u>	<u>230</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(398)</u>	<u>(912)</u>	<u>5,229</u>	<u>6,141</u>
<i>Other financing sources (uses):</i>				
Designated cash	398	912	-	(912)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(5,628)	(5,628)
<i>Total other financing sources (uses)</i>	<u>398</u>	<u>912</u>	<u>(5,628)</u>	<u>(6,540)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(399)	(399)
<i>Fund balance - beginning of year</i>	-	-	399	399
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-37

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	45,800	45,800	45,800	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	45,800	45,800	45,800	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	52,059	52,059	52,059	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	52,059	52,059	52,059	-
<i>Excess (deficiency) of revenues over expenditures</i>	(6,259)	(6,259)	(6,259)	-
<i>Other financing sources (uses):</i>				
Designated cash	6,259	6,259	-	(6,259)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	6,259	6,259	-	(6,259)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(6,259)	(6,259)
<i>Fund balance - beginning of year</i>	-	-	6,259	6,259
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-38

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	150,000	150,000	141,658	(8,342)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>141,658</u>	<u>(8,342)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	200,000	200,000	200,000	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(58,342)</u>	<u>(8,342)</u>
<i>Other financing sources (uses):</i>				
Designated cash	50,000	50,000	-	(50,000)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(58,342)	(58,342)
<i>Fund balance - beginning of year</i>	-	-	150,706	150,706
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>92,364</u>	\$ <u>92,364</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-39

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	500,000	500,000	-	(500,000)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	500,000	500,000	138,472	361,528
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>500,000</u>	<u>500,000</u>	<u>138,472</u>	<u>361,528</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(138,472)</u>	<u>(138,472)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(138,472)</u>	<u>(138,472)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>98,672</u>	<u>98,672</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,800)</u>	<u>\$ (39,800)</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-40

EDDY COUNTY  
DETENTION FEESSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	51,000	51,000	73,118	22,118
Investment earnings	-	-	-	-
Miscellaneous	-	-	758	758
<i>Total revenues</i>	<u>51,000</u>	<u>51,000</u>	<u>73,876</u>	<u>22,876</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	52,500	63,000	61,990	1,010
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>52,500</u>	<u>63,000</u>	<u>61,990</u>	<u>1,010</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,500)</u>	<u>(12,000)</u>	<u>11,886</u>	<u>23,886</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,500	12,000	-	(12,000)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,500</u>	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	11,886	11,886
<i>Fund balance - beginning of year</i>	-	-	164,179	164,179
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>176,065</u>	\$ <u>176,065</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-41

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	79	79
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 79	\$ 79

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-42

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	2,700,000	2,700,000
<i>Total other financing sources (uses)</i>	-	-	2,700,000	2,700,000
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	2,700,000	2,700,000
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 2,700,000	\$ 2,700,000

The accompanying notes are an integral part of these 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, 2006

Statement A-43

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	2,000,000	2,000,000
<i>Total other financing sources (uses)</i>	-	-	2,000,000	2,000,000
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	2,000,000	2,000,000
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000

The accompanying notes are an integral part of these 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, 2006

Statement A-44

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	154,195	154,195
<i>Total revenues</i>	-	-	154,195	154,195
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	154,195	154,195
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	154,195	154,195
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 154,195	\$ 154,195

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
EDDY COUNTY  
COPS GRANT

Statement A-45

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	75,000	75,000	-	(75,000)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	201,079	201,079	-	201,079
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	20,000	20,000	-	20,000
<i>Total expenditures</i>	<u>221,079</u>	<u>221,079</u>	<u>-</u>	<u>221,079</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(146,079)</u>	<u>(146,079)</u>	<u>-</u>	<u>146,079</u>
<i>Other financing sources (uses):</i>				
Designated cash	146,079	146,079	-	(146,079)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>146,079</u>	<u>146,079</u>	<u>-</u>	<u>(146,079)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>146,079</u>	<u>146,079</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,079</u>	<u>\$ 146,079</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-46

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	262,000	262,000	54,777	(207,223)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	5,000	5,000	500	(4,500)
<i>Total revenues</i>	<u>267,000</u>	<u>267,000</u>	<u>55,277</u>	<u>(211,723)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	251,418	251,418	41,680	209,738
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>251,418</u>	<u>251,418</u>	<u>41,680</u>	<u>209,738</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>15,582</u>	<u>15,582</u>	<u>13,597</u>	<u>(1,985)</u>
<i>Other financing sources (uses):</i>				
Designated cash	(15,582)	(15,582)	-	15,582
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(15,582)</u>	<u>(15,582)</u>	<u>-</u>	<u>15,582</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	13,597	13,597
<i>Fund balance - beginning of year</i>	-	-	84,418	84,418
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>98,015</u>	\$ <u>98,015</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-47

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 80,000	\$ 80,000	\$ 70,635	\$ (9,365)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>80,000</u>	<u>80,000</u>	<u>70,635</u>	<u>(9,365)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	82,000	82,000	79,999	2,001
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>82,000</u>	<u>82,000</u>	<u>79,999</u>	<u>2,001</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(9,364)</u>	<u>(7,364)</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,000	2,000	-	(2,000)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(9,364)	(9,364)
<i>Fund balance - beginning of year</i>	-	-	91,205	91,205
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,841</u>	<u>\$ 81,841</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
EDDY COUNTY

Statement A-48

EDDY COUNTY DWI FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	34,500	34,500	15,994	(18,506)
Intergovernmental	179,028	179,028	223,051	44,023
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	5,000	5,000	14,677	9,677
<i>Total revenues</i>	<u>218,528</u>	<u>218,528</u>	<u>253,722</u>	<u>35,194</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	218,528	264,278	232,206	32,072
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>218,528</u>	<u>264,278</u>	<u>232,206</u>	<u>32,072</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(45,750)</u>	<u>21,516</u>	<u>67,266</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	45,750	-	(45,750)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(1,600)	(1,600)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>45,750</u>	<u>(1,600)</u>	<u>(47,350)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>19,916</u>	<u>19,916</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>14,796</u>	<u>14,796</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,712</u>	<u>\$ 34,712</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-49

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	20,000	20,000	19,254	(746)
Charges for services	-	-	24,000	24,000
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>43,254</u>	<u>23,254</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	30,932	37,726	37,724	2
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>30,932</u>	<u>37,726</u>	<u>37,724</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,932)</u>	<u>(17,726)</u>	<u>5,530</u>	<u>23,256</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,932	17,726	-	(17,726)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	1,600	1,600
<i>Total other financing sources (uses)</i>	<u>10,932</u>	<u>17,726</u>	<u>1,600</u>	<u>(16,126)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>7,130</u>	<u>7,130</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,932</u>	<u>10,932</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,062</u>	<u>\$ 18,062</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 MATERNAL AND CHILD HEALTH  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 For the year ended June 30, 2006

Statement A-50

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	60,000	60,000	75,225	15,225
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>75,225</u>	<u>15,225</u>
<i>Expenditures:</i>				
Current:				
General government	64,551	65,871	58,129	7,742
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>64,551</u>	<u>65,871</u>	<u>58,129</u>	<u>7,742</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,551)</u>	<u>(5,871)</u>	<u>17,096</u>	<u>22,967</u>
<i>Other financing sources (uses):</i>				
Designated cash	4,551	5,871	-	(5,871)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,551</u>	<u>5,871</u>	<u>-</u>	<u>(5,871)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>17,096</u>	<u>17,096</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>28,196</u>	<u>28,196</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,292</u>	<u>\$ 45,292</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-51

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	25,000	25,000	1,955	(23,045)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>1,955</u>	<u>(23,045)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	25,013	25,013	-	25,013
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	25,000	25,000	-	25,000
<i>Total expenditures</i>	<u>50,013</u>	<u>50,013</u>	<u>-</u>	<u>50,013</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,013)</u>	<u>(25,013)</u>	<u>1,955</u>	<u>26,968</u>
<i>Other financing sources (uses):</i>				
Designated cash	25,013	25,013	-	(25,013)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,013</u>	<u>25,013</u>	<u>-</u>	<u>(25,013)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	1,955	1,955
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,013</u>	<u>25,013</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,968</u>	<u>\$ 26,968</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-52

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	40,000	40,000	27,608	(12,392)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>40,000</u>	<u>40,000</u>	<u>27,608</u>	<u>(12,392)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	45,792	45,792	34,155	11,637
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>45,792</u>	<u>45,792</u>	<u>34,155</u>	<u>11,637</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,792)</u>	<u>(5,792)</u>	<u>(6,547)</u>	<u>(755)</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,792	5,792	-	(5,792)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,792</u>	<u>5,792</u>	<u>-</u>	<u>(5,792)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(6,547)	(6,547)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>126,624</u>	<u>126,624</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,077</u>	<u>\$ 120,077</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-53

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	472,704	472,704	128,206	(344,498)
Charges for services	15,000	15,000	9,375	(5,625)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>487,704</u>	<u>487,704</u>	<u>137,581</u>	<u>(350,123)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	209,140	211,066	152,144	58,922
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	350,634	850,634	502,165	348,469
<i>Total expenditures</i>	<u>559,774</u>	<u>1,061,700</u>	<u>654,309</u>	<u>407,391</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(72,070)</u>	<u>(573,996)</u>	<u>(516,728)</u>	<u>57,268</u>
<i>Other financing sources (uses):</i>				
Designated cash	28,604	530,530	-	(530,530)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	43,466	43,466	543,466	500,000
<i>Total other financing sources (uses)</i>	<u>72,070</u>	<u>573,996</u>	<u>543,466</u>	<u>(30,530)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	26,738	26,738
<i>Fund balance - beginning of year</i>	-	-	(25,891)	(25,891)
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>847</u>	\$ <u>847</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-54

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	15,000	15,000	2,123	(12,877)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>2,123</u>	<u>(12,877)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	15,000	15,000	-	15,000
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,123</u>	<u>2,123</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,123</u>	<u>2,123</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,423</u>	<u>6,423</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,546</u>	<u>\$ 8,546</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-55

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 150,000	\$ 150,000	\$ 238,859	\$ 88,859
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>238,859</u>	<u>88,859</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	335,166	335,166	88,223	246,943
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>335,166</u>	<u>335,166</u>	<u>88,223</u>	<u>246,943</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(185,166)</u>	<u>(185,166)</u>	<u>150,636</u>	<u>335,802</u>
<i>Other financing sources (uses):</i>				
Designated cash	185,166	185,166	-	(185,166)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>185,166</u>	<u>185,166</u>	<u>-</u>	<u>(185,166)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	150,636	150,636
<i>Fund balance - beginning of year</i>	-	-	185,166	185,166
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,802</u>	<u>\$ 335,802</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-56

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	168,243	2,729	165,514
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	168,243	2,729	165,514
<i>Excess (deficiency) of revenues over expenditures</i>	-	(168,243)	(2,729)	165,514
<i>Other financing sources (uses):</i>				
Designated cash	-	168,243	-	(168,243)
Payment to bond escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	168,243	-	(168,243)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(2,729)	(2,729)
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ (2,729)	\$ (2,729)

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-57

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	100	100	2,848	(2,748)
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	474,376	697,376	622,236	75,140
<i>Total expenditures</i>	<u>474,476</u>	<u>697,476</u>	<u>625,084</u>	<u>72,392</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(474,476)</u>	<u>(697,476)</u>	<u>(625,084)</u>	<u>72,392</u>
<i>Other financing sources (uses):</i>				
Designated cash	474,476	697,476	-	(697,476)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	1,048,008	1,048,008
<i>Total other financing sources (uses)</i>	<u>474,476</u>	<u>697,476</u>	<u>1,048,008</u>	<u>350,532</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	422,924	422,924
<i>Fund balance - beginning of year</i>	-	-	99,476	99,476
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,400</u>	<u>\$ 522,400</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-58

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 1,200,000	\$ 1,200,000	\$ 2,117,220	\$ 917,220
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200,000</u>	<u>1,200,000</u>	<u>2,117,220</u>	<u>917,220</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	37,500	37,500	87,390	(49,890)
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	3,000,000	3,000,000	2,290,615	709,385
<i>Total expenditures</i>	<u>3,037,500</u>	<u>3,037,500</u>	<u>2,378,005</u>	<u>659,495</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,837,500)</u>	<u>(1,837,500)</u>	<u>(260,785)</u>	<u>1,576,715</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,837,500	1,837,500	-	(1,837,500)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(5,345)	(5,345)
<i>Total other financing sources (uses)</i>	<u>1,837,500</u>	<u>1,837,500</u>	<u>(5,345)</u>	<u>(1,842,845)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(266,130)	(266,130)
<i>Fund balance - beginning of year</i>	-	-	<u>2,646,924</u>	<u>2,646,924</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,380,794</u>	<u>\$ 2,380,794</u>

The accompanying notes are an integral part of these 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, 2006

Statement A-59

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 600,000	\$ 600,000	\$ 835,393	\$ 235,393
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600,000</u>	<u>600,000</u>	<u>835,393</u>	<u>235,393</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	336,521	419,917	353,585	66,332
<i>Total expenditures</i>	<u>336,521</u>	<u>419,917</u>	<u>353,585</u>	<u>66,332</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>263,479</u>	<u>180,083</u>	<u>481,808</u>	<u>301,725</u>
<i>Other financing sources (uses):</i>				
Designated cash	(313,479)	(230,083)	-	230,083
Sale of capital assets	50,000	50,000	17,011	(32,989)
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(263,479)</u>	<u>(180,083)</u>	<u>17,011</u>	<u>197,094</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>498,819</u>	<u>498,819</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,697,887</u>	<u>2,697,887</u>
<i>Fund balance - end of year</i>	<u>-</u>	<u>-</u>	<u>\$ 3,196,706</u>	<u>\$ 3,196,706</u>

The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO  
 EDDY COUNTY  
 FIRE EXCISE BOND PAYMENT 1996  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 For the year ended June 30, 2006

Statement A-60

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(91,865)	(91,865)
<i>Total other financing sources (uses)</i>	-	-	(91,865)	(91,865)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(91,865)	(91,865)
<i>Fund balance - beginning of year</i>	-	-	91,865	91,865
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 BOND PAYMENT GROSS RECEIPTS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 For the year ended June 30, 2006

Statement A-61

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(711,823)	(711,823)
<i>Total other financing sources (uses)</i>	-	-	(711,823)	(711,823)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(711,823)	(711,823)
<i>Fund balance - beginning of year</i>	-	-	711,823	711,823
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 EDDY COUNTY BOND - 1998  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 For the year ended June 30, 2006

Statement A-62

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(162,671)	(162,671)
<i>Total other financing sources (uses)</i>	-	-	(162,671)	(162,671)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(162,671)	(162,671)
<i>Fund balance - beginning of year</i>	-	-	162,671	162,671
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement A-63

## 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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	318	318
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	318	318
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	318	318
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	318	318
<i>Fund balance - beginning of year</i>	-	-	20,267	20,267
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 20,585	\$ 20,585

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 COURTHOUSE GROSS RECEIPTS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 For the year ended June 30, 2006

Statement A-64

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	10,000	10,000	-	10,000
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	1,000,000	1,000,000	-	1,000,000
Capital outlay	10,000	10,000	-	10,000
<i>Total expenditures</i>	1,020,000	1,020,000	-	1,020,000
<i>Excess (deficiency) of revenues over expenditures</i>	(1,020,000)	(1,020,000)	-	1,020,000
<i>Other financing sources (uses):</i>				
Designated cash	1,020,000	1,020,000	-	(1,020,000)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	(81,648)	(81,648)
<i>Total other financing sources (uses)</i>	1,020,000	1,020,000	(81,648)	(1,101,648)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(81,648)	(81,648)
<i>Fund balance - beginning of year</i>	-	-	1,081,648	1,081,648
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
EDDY COUNTY

Statement A-65

TOTAL OTHER FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the year ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and miscellaneous taxes	\$ 2,820,100	\$ 2,820,100	\$ 4,634,540	\$ 1,814,440
Licenses and permits	259,500	259,500	225,729	(33,771)
Intergovernmental	3,050,405	3,050,405	3,105,508	55,103
Charges for services	84,000	84,000	125,557	41,557
Investment earnings	-	-	1,317	1,317
Miscellaneous	50,000	50,000	234,613	184,613
<i>Total revenues</i>	6,264,005	6,264,005	8,327,264	2,063,259
<i>Expenditures:</i>				
Current:				
General government	1,525,926	1,566,147	903,560	662,587
Public safety	3,080,867	3,433,044	1,990,241	1,442,803
Highways and roads	45,000	45,000	45,000	-
Health and sanitation	615,678	619,289	372,647	246,642
Culture and recreation	640,700	640,700	277,171	363,529
Debt service	1,000,000	1,000,000	45,400	954,600
Capital outlay	4,243,793	5,050,189	3,790,117	1,260,072
<i>Total expenditures</i>	11,151,964	12,354,369	7,424,136	4,930,233
<i>Excess (deficiency) of revenues over expenditures</i>	(4,887,959)	(6,090,364)	903,128	6,993,492
<i>Other financing sources (uses):</i>				
Designated cash	4,591,225	5,793,630	-	(5,793,630)
Sale of capital assets	50,000	50,000	17,011	(32,989)
Operating transfers in (out)	246,734	246,734	5,457,736	5,211,002
<i>Total other financing sources (uses)</i>	4,887,959	6,090,364	5,474,747	(615,617)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	6,377,875	6,377,875
<i>Fund balance - beginning of year</i>	-	-	10,790,666	10,790,666
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 17,168,541	\$ 17,168,541

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 Year Ended June 30, 2006

Statement B

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
<b>ASSETS</b>				
Cash and temporary investments	\$ 1,239,022	\$ 25,992,451	\$ 25,970,953	\$ 1,260,520
Receivables:				
Property taxes	493,446	17,321,781	17,262,378	552,849
Other taxes	<u>1,994,797</u>	<u>8,727,258</u>	<u>8,730,073</u>	<u>1,991,982</u>
<i>Total assets</i>	<u>\$ 3,727,265</u>	<u>\$ 52,041,490</u>	<u>\$ 51,963,404</u>	<u>\$ 3,805,351</u>
<b>LIABILITIES</b>				
Due to other taxing units	<u>\$ 3,727,265</u>	<u>\$ 26,049,039</u>	<u>\$ 25,970,953</u>	<u>\$ 3,805,351</u>
<i>Total liabilities</i>	<u>\$ 3,727,265</u>	<u>\$ 26,049,039</u>	<u>\$ 25,970,953</u>	<u>\$ 3,805,351</u>

The accompanying notes are an integral part of these financial statements.

(This page intentionally left blank.)



**SUPPORTING SCHEDULES**

STATE OF NEW MEXICO  
 EDDY COUNTY  
 SCHEDULE OF COLLATERAL PLEDGED FOR PUBLIC FUNDS  
 June 30, 2006

	Carlsbad National Bank	1st National Bank of Artesia
Total amount of Deposits	\$ 8,571,634	\$ 3,300,000
Less FDIC or FSLIC coverage	200,000	100,000
Total uninsured public funds	8,371,634	3,200,000
Collateral requirement 50%	4,185,817	1,600,000

Type of Security Security Number	CUSIP Number	Maturity Date			
FHLB 1260	3133XCSQ2	9/12/2008	972,003	-	
FHLB 1256	3133M7V37	3/3/2009	1,002,439	-	
FHLB 1270	3133X7SH8	5/15/2009	964,829	-	
FHLB 1255	3133X8EL2	8/18/2009	947,767	-	
FHLB 1277	3133XDT84	12/11/2009	974,260	-	
FHLB 1264	3133XDTA9	12/10/2010	967,693	-	
FHLB	3133X2QJ7	12/29/2009	-	172,977	
MBS FNMA 15-Yr Conventional	31374WZD7	10/1/2010	-	113,891	
LOS LUNAS NM - AMBAC INSD	545559CR5	4/1/2011	-	100,000	
MBS GNMA I 15-Yr SF	36210AN52	9/15/2013	-	131,109	
MBS FHLMC 15 Yr E97112	3128H43V9	5/1/2018	-	580,635	
MBS GNMA I 598683 15 Yr	36200ECU3	5/15/2018	-	180,532	
MBS FHLMC 15 Yr M30291	31282CKC0	7/1/2018	-	160,895	
MBS FNMA 30 Yr 579734	31387CBB6	9/1/2030	-	180,649	
FMAC 3-1 7/1/33 1Yr	1b0951	7/1/2033	-	-	
FNMA 1Yr TR	648558	6/1/2032	-	-	
FNMA 1Yr CMT	696460	4/1/2033	-	-	
FHLMC 1Yr TR	847032	7/1/2032	-	-	
FNMA-LIBOR	91-156f	11/25/2021	-	-	
FNCL 671618	31391NDX6	12/1/1932	-	-	
FNCL 831480	31407HXX4M0	4/1/2036	-	-	
GNSF 781246	36225BL30	2/15/2031	-	-	
FNMA 255325	31371LSN0	7/1/2011	-	-	
FNMA 255163	31371LML0	3/1/2014	-	-	
TORRANCE COUNTY NM	891398AV1	8/1/2011	-	-	
FNMA 252386	31371HJ74	4/1/2019	-	-	
GNMA 357578	36203N2K3	5/15/2023	-	-	
FNMA Pool 619925	31389AVS9	2/1/2032	-	-	
FNMA Pool 80899	36225C7M2	5/20/2034	-	-	
FNMA Pool 607704	31388LDH0	11/1/2031	-	-	
GNMA 8004A	36202J3M8	7/20/2022	-	-	
GNMA 8089 B	36202J7A0	12/20/2022	-	-	
GNMA 8120	36202KAV7	1/20/2023	-	-	
GNMA 8157	36202KB20	3/20/2023	-	-	
GNMA 8175	36202KCL7	4/20/2023	-	-	

Pioneer Bank	Wells Fargo Bank	Western Bank of Artesia	Western Commerce Bank	Artesia National Bank	City of Carlsbad	Total
\$ 2,400,000	\$ 2,205,500	\$ 3,431,751	\$ 4,228,470	\$ 900,000	\$ 596,268	\$ 25,633,623
100,000	105,500	200,000	200,000	100,000	-	1,005,500
2,300,000	2,100,000	3,231,751	4,028,470	800,000	596,268	24,628,123
1,150,000	1,050,000	1,615,876	2,014,235	400,000	298,134	12,314,062
-	-	-	-	-	-	972,003
-	-	-	-	-	-	1,002,439
-	-	-	-	-	-	964,829
-	-	-	-	-	-	947,767
-	-	-	-	-	-	974,260
-	-	-	-	-	-	967,693
-	-	-	-	-	-	172,977
-	-	-	-	-	-	113,891
-	-	-	-	-	-	100,000
-	-	-	-	-	-	131,109
-	-	-	-	-	-	580,635
-	-	-	-	-	-	180,532
-	-	-	-	-	-	160,895
-	-	-	-	-	-	180,649
718,327	-	-	-	-	-	718,327
5,626	-	-	-	-	-	5,626
172,682	-	-	-	-	-	172,682
327,987	-	-	-	-	-	327,987
88,231	-	-	-	-	-	88,231
-	314,586	-	-	-	-	314,586
-	2,823,231	-	-	-	-	2,823,231
-	51,898	-	-	-	-	51,898
-	-	688,577	-	-	-	688,577
-	-	400,931	-	-	-	400,931
-	-	250,000	-	-	-	250,000
-	-	91,949	-	-	-	91,949
-	-	89,085	-	-	-	89,085
-	-	281,691	-	-	-	281,691
-	-	736,938	-	-	-	736,938
-	-	316,123	-	-	-	316,123
-	-	-	47,424	-	-	47,424
-	-	-	31,910	-	-	31,910
-	-	-	51,493	-	-	51,493
-	-	-	52,301	-	-	52,301
-	-	-	34,574	-	-	34,574

(continued)

STATE OF NEW MEXICO  
 EDDY COUNTY  
 SCHEDULE OF COLLATERAL PLEDGED FOR PUBLIC FUNDS  
 June 30, 2006

			Carlsbad National Bank	1st National Bank of Artesia
GNMA 8954	36202K5P6	4/20/2022	-	-
GNMA 2716M	36202DAR2	2/20/2029	-	-
GNMA 780656	36225AWR7	10/15/2027	-	-
GNMA 375005	36204NR25	12/15/2023	-	-
GNMA 2701	36202DAA9	1/20/2029	-	-
GNMA 8850	36202KZP3	4/20/2026	-	-
GNMA 8877	36202K2J3	5/20/2026	-	-
GNMA 80635	36225CV52	9/20/2032	-	-
GNMA 8321	36202KG66	2/20/2018	-	-
GNMA 80507	36225CR57	4/20/2031	-	-
GNMA 8634	36202KSX4	5/20/2025	-	-
GNMA 3215	36202DSC6	3/20/2032	-	-
FNMA 254909	31371LDN6	9/1/2013	-	-
FNMA 685946	31400FBP1	9/1/2032	-	-
Funds held by City of Carlsbad in relation to the Landfill operations are collateralized within the City's pooled cash and investments			-	-
Adjustment for securities pledged in excess of deposit balances			-	-
Total pledged securities			5,828,991	1,620,688
Over (under) pledged			\$ 1,643,173	\$ 20,688

Safekeeper for all pledged collateral: Federal Home Loan Bank, Dallas, Texas

The accompanying notes are an integral part of these financial statements.

Pioneer Bank	Wells Fargo Bank	Western Bank of Artesia	Western Commerce Bank	Artesia National Bank	City of Carlsbad	Total
-	-	-	88,249	-	-	88,249
-	-	-	48,191	-	-	48,191
-	-	-	100,890	-	-	100,890
-	-	-	174,321	-	-	174,321
-	-	-	159,510	-	-	159,510
-	-	-	131,423	-	-	131,423
-	-	-	124,099	-	-	124,099
-	-	-	400,414	-	-	400,414
-	-	-	493,458	-	-	493,458
-	-	-	432,999	-	-	432,999
-	-	-	185,351	-	-	185,351
-	-	-	269,428	-	-	269,428
-	-	-	-	542,557	-	542,557
-	-	-	-	438,834	-	438,834
-	-	-	-	-	298,134	298,134
-	(1,089,715)	-	-	(181,391)	-	(1,271,106)
1,312,853	2,100,000	2,855,294	2,826,035	800,000	298,134	17,641,995
\$ 162,853	\$ 1,050,000	\$ 1,239,419	\$ 811,800	\$ 400,000	\$ -	\$ 5,327,933





STATE OF NEW MEXICO  
 EDDY COUNTY  
 SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS  
 June 30, 2006

Deposit or Investment Account Type	Carlsbad National Bank	1st National Bank of Artesia	Pioneer Bank	Wells Fargo Bank	Western Bank of Artesia
Checking Account	-	-	-	-	-
Checking Account	-	-	-	-	-
Checking Account	-	-	-	-	-
Equity in pooled cash	-	-	-	-	-
NM State Investment Pool	-	-	-	-	-
NM State Investment Pool	-	-	-	-	-
NM State Investment Pool	-	-	-	-	-
NM State Investment Pool	-	-	-	-	-
NM State Investment Pool	-	-	-	-	-
NM State Investment Pool	-	-	-	-	-
NMFA Trust Account	-	-	-	-	-
Amounts on deposit	8,571,634	3,300,000	2,400,000	2,205,500	3,431,751
Outstanding items	(694,426)	-	-	-	1,483
Cash on Hand	-	-	-	-	-
	<u>\$ 7,877,208</u>	<u>\$ 3,300,000</u>	<u>\$ 2,400,000</u>	<u>\$ 2,205,500</u>	<u>\$ 3,433,234</u>

The accompanying notes are an integral part of these financial statements.



Western Commerce Bank	Artesia National Bank	City of Carlsbad	AP Institutional US Treasury Fund	Government Investment Pool	Total
68,132	-	-	-	-	68,132
51,926	-	-	-	-	51,926
8,412	-	-	-	-	8,412
-	-	596,268	-	-	596,268
-	-	-	-	25,000	25,000
-	-	-	-	1,000,000	1,000,000
-	-	-	-	1,000,000	1,000,000
-	-	-	-	700,000	700,000
-	-	-	-	1,000,000	1,000,000
-	-	-	-	1,200,000	1,200,000
-	-	-	-	1,300,000	1,300,000
-	-	-	20,124	-	20,124
4,228,470	900,000	596,268	20,124	6,225,000	31,878,747
-	-	-	-	-	(692,943)
-	-	-	-	-	1,350
<u>\$ 4,228,470</u>	<u>\$ 900,000</u>	<u>\$ 596,268</u>	<u>\$ 20,124</u>	<u>\$ 6,225,000</u>	<u>\$ 31,187,154</u>

STATE OF NEW MEXICO  
 EDDY COUNTY  
 TAX ROLL RECONCILIATION - PROPERTY TAXES RECEIVABLE  
 For the Year Ended June 30, 2006

Schedule III

Property taxes receivable, beginning of year	\$	730,239
Changes to tax roll:		
Net taxes charged to treasurer for fiscal year		16,426,734
Adjustments:		
Taxes paid in advance		22,326
Additions		884,367
Deletions		(11,646)
Total taxes charged to treasurer for fiscal year		<u>17,321,781</u>
Total receivables before collections		18,052,020
Collections for fiscal year June 30, 2006		<u>(17,212,777)</u>
	\$	<u><u>839,243</u></u>

Property taxes receivable by years:

1996	\$	323
1997		297
1998		275
1999		501
2000		1,789
2001		2,976
2002		8,782
2003		9,441
2004		151,339
2005		<u>663,520</u>
	\$	<u><u>839,243</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
EDDY COUNTY  
PROPERTY TAX SCHEDULE  
June 30, 2006

Schedule IV

	Taxes Receivable 7/1/2005	Net Taxes Charged to Treasurer	Collections	Taxes Receivable 6/30/2006	Distributions
Delinquent taxes (prior 6/30/00)	\$ 2,019	\$ -	\$ 623	\$ 1,396	\$ 623
Eddy County Funds:					
County Operational	228,583	6,033,308	5,998,346	263,545	5,998,346
Eagle Draw Flood District	8,210	250,681	241,964	16,927	241,964
Artesia General Hospital	43,348	1,448,828	1,422,097	70,079	1,422,097
Pecos Valley Conservatory	14,294	389,745	379,006	25,033	379,006
Hackberry Draw	203	6,875	6,294	784	6,294
Carlsbad Soil, Water & Conservatory	15,573	216,774	217,264	15,083	217,264
Cottonwood Walnut Creek	3,078	49,480	50,924	1,634	50,924
Penasco Soil, Water & Conservatory	157	3,090	3,036	211	3,036
Central Valley Soil, Water & Conservatory	1,246	47,427	46,915	1,758	46,915
NMSU-C	20,385	475,679	476,666	19,398	476,666
Municipalities:					
Carlsbad	107,500	1,563,082	1,565,020	105,562	1,565,020
Artesia/Hope	20,099	337,809	334,805	23,103	334,805
Loving	539	7,634	7,365	808	7,365
State of New Mexico	39,015	1,037,970	1,031,793	45,192	1,031,793
Schools:					
Carlsbad	120,775	2,932,091	2,926,443	126,423	2,926,443
Artesia/Hope	91,976	2,330,637	2,309,678	112,935	2,309,678
Loving	5,348	107,403	108,467	4,284	108,467
State Specials: Livestock	7,891	60,942	63,745	5,088	63,745
Taxes in Advance	-	22,326	22,326	-	-
<b>Total Taxes</b>	<b>\$ <u>730,239</u></b>	<b>\$ <u>17,321,781</u></b>	<b>\$ <u>17,212,777</u></b>	<b>\$ <u>839,243</u></b>	<b>\$ <u>17,190,451</u></b>

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank.)

**COMPLIANCE SECTION**

(This page intentionally left blank.)

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

Domingo P. Martinez, CGFM  
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 and budgetary comparison statements of the governmental activities, each major fund, and the aggregate remaining fund information of Eddy County (County) as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued our report thereon dated October 30, 2006. We also have audited the financial statements and budgetary comparison schedules of each of the County's nonmajor governmental funds, and statement of changes in assets and liabilities - agency funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2006 as listed in the table of contents. 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 Eddy County's, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Eddy County's, ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2006-1, 2006-2, 2006-3, 2006-4, 2006-5, 2006-6, and 2006-7.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eddy County's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2006-1, 2006-3, 2006-4, and 2006-5.

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

*Accounting & Consulting Group, LLP*  
Accounting & Consulting Group, LLP  
Certified Public Accountants

Carlsbad, New Mexico  
October 30, 2006



**FEDERAL FINANCIAL ASSISTANCE**

(This page intentionally left blank.)

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

Domingo P. Martinez, CGFM  
New Mexico State Auditor  
The Office of Management and Budget and  
The Board of Commissioners  
Eddy County  
Carlsbad, New Mexico

Compliance

We have audited the compliance of Eddy 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, 2006. Eddy 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 Eddy County's management. Our responsibility is to express an opinion on Eddy 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 Eddy 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 Eddy County's compliance with those requirements.

In our opinion, Eddy 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, 2006. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2006-8.



Internal Control Over Compliance

The management of Eddy County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Eddy County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Certified Public Accountants

Carlsbad, New Mexico  
October 30, 2006



STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2006

Schedule V

	Pass-Through Entity Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Justice</b>			
Lifeline Intervention/Greenhouse grant	2004-DD-BX-1418	16.580	\$ 41,680
COPS Universal Hiring Grant	2003UMWX0322	16.710	82,449
<i>Passed Through State of New Mexico</i>			
High Intensity Drug Trafficking Area	N/A	16.579	243,271
DCSI Grant	N/A	16.579	33,500
Fiscal Agent Grant	N/A	16.579	2,729
<b>Total U.S. Department of Justice</b>			<b>403,629</b>
<b>U.S. Department of Agriculture</b>			
Taylor Grazing Act	N/A	10.738	30,000
<b>U.S. Dept of Homeland Security/Office of Domestic Preparedness</b>			
Equipment Grant (1)	2004-GE-T4-0005- PLA-DA	97.004	501,501
EMPG Grant	2006-EM-E6-0015- EDDY	97.042	32,131
EMPG Grant	2005-GE-T5-0012- EDD	97.042	32,967
<b>Total U.S. Dept of Homeland Security/Office of Domestic Preparedness</b>			<b>566,599</b>
<b>Department of Housing &amp; Urban Development</b>			
<i>Passed Through State of New Mexico:</i>			
CDBG - ECCAC	05-CNR-1-3-G-34	14.228	138,471
<b>U.S. Department of Transportation</b>			
DWI Grant	N/A	20.601	201,536
<b>Total Federal Financial Assistance</b>			<b>\$ 1,340,235</b>

(1) Denotes Major Federal Financial Assistance Program

The above schedule was prepared on the cash basis of accounting.

The accompanying notes are an integral part of these financial statements.

(This page intentionally left blank.)



STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Eddy County, New Mexico.
2. Seven reportable conditions were disclosed during the audit of the financial statements.
3. There were no instances of noncompliance material to the financial statements of Eddy County, New Mexico, disclosed during the audit.
4. There were no reportable conditions and one instance of non-compliance disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Eddy County, New Mexico, expresses an unqualified opinion.
6. The program tested as major was the Homeland Security Equipment Grant, CFDA No. 97.004.
7. The threshold for distinguishing Types A and B programs was \$300,000.
8. Eddy County, New Mexico was determined to be a low-risk auditee.

STATE OF NEW MEXICO  
 EDDY COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2006

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

2006-1: Budgeting

*Condition*

During our audit testwork of the budget and the budgeting process, we noted the following conditions:

The budget for the following funds required fund balance from the prior year to balance the budget, however the amount of fund balance required exceeded the available fund balance by the following amounts:

	<u>Amount Required</u>	<u>Available</u>	<u>Shortfall</u>
County Indigent	\$ 445,730	\$ 5,933	\$ (439,797)
Legislative Appropriations	713,601	11,922	(701,679)
Atoka Fire District	100,651	90,887	(9,764)
Cottonwood Fire District	190,437	180,674	(9,763)
Happy Valley Fire District	22,548	11,605	(10,943)
Joel Fire District	32,071	(46,682)	(78,753)
La Huerta Fire District	11,129	851	(10,278)
Loco Hills Fire District	3,254	-	(3,254)
Otis Fire District	82,084	7,266	(74,818)
White's City Fire District	16,325	10,416	(5,909)
EMS - Loco Hills	8,650	5,450	(3,200)
Sun Country Fire District	33,449	26,855	(6,594)
Queen Fire District	62,556	44,102	(18,454)
Riverside Fire District	21,933	18,680	(3,253)
EMS - Queen	1,159	60	(1,099)
Malaga Fire District	12,116	4,284	(7,832)
EMS - White's City	912	399	(513)
Eddy County DWI	45,750	14,796	(30,954)
Traffic Safety	17,726	10,932	(6,794)
Civil Emergency	530,530	(25,891)	(556,421)
Region VI Task Force	168,243	-	(168,243)
Construction Fund	697,476	99,476	(598,000)
	<u>\$ 3,218,330</u>	<u>\$ 472,015</u>	<u>\$ (2,746,315)</u>

STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)**

2006-1: Budgeting (continued)

During our testwork, we noted the following instances of expenditures in excess of budgeted amounts:

Happy Valley Fire District – Debt Service	\$	19,434
La Huerta Fire District – Public Safety		4,763
La Huerta Fire District – Debt Service		25,966
Construction Fund – General Government		2,748
Fire Excise Tax Gross Receipts – Public Safety		49,890

***Criteria***

Section 6-6-6, NMSA 1978 prohibits expenditures in excess of budgeted amounts.

***Cause***

The County's current system of control over budgeting did not detect errors in the budgeting process and differences between budget amounts recorded in the accounting system and approved budget amounts.

***Effect***

The County has incurred expenditures in excess of budgeted amounts, and it is difficult to determine the correct budgeted amounts.

***Recommendation***

We recommend that the County implement a budget review process where budgets and budget resolution requests are reviewed by an appropriate individual other than one involved in the review process to help insure the accuracy of the budgets. We also recommend that the County implement a formal process for routing original budgets and approved budget resolutions to the person responsible for entering budgets and budget adjustment requests into the accounting system, and that the amounts in the system be periodically reviewed for accuracy by a responsible individual.

***Client Response***

It appears that revenue increases were not incorporated into the budget for the funds listed. At present, several County employees are involved in the handling of budget adjustments. We will be working on revising this procedure, with the advice of the auditors, to better process these adjustments.

STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)

2006-2: Capital Assets and Infrastructure

*Condition*

During our testwork of capital assets, we noted that the beginning balances of asset values and accumulated depreciation on the County's capital asset and infrastructure asset listings did not agree to the prior year's ending balances.

*Criteria*

NMAC 2.20.1.15 provides that each agency shall establish controls over its fixed assets for the primary purposes of safeguarding them and establishing accountability for their custody and use.

*Cause*

During our testwork, we noted the following conditions that contributed to the differences in the beginning balances:

The beginning cost balances in the prior year did not agree to the detail listing by approximately \$ 63,000, and the beginning accumulated depreciation balances do not agree by approximately \$ 1,388,000, and a prior period adjustment is being recorded to match the detail listing.

The detail listing has not been reconciled to the previously reported amounts in the financial statements of the County.

*Effect*

The County's capital asset and infrastructure listings could be incomplete and possibly have not recorded required adjustments necessary to reconcile the listings to the amounts reported in the financial statements.

*Recommendation*

We recommend that the County gain an in-depth knowledge of the depreciation accounting system and implement the controls necessary to insure that the listings are complete and accurate. In addition, we recommend that the County begin recording transactions that occur with regard to loans from the New Mexico Finance Authority in its books and records.

*Client Response*

This has been an ongoing issue with the County related to our accounting software conversion. We will continue to work toward correcting this problem through revisions in our accounting system and have scheduled additional software training through our software vendor.

STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)**

2006-3: Reconciliation of Tax Rolls by Agency

*Condition*

The County's tax roll reconciliation discloses the distributions by agency, and the ending taxes uncollected and undistributed for the years ended June 30, 2006, 2005, 2004, 2003, 2002, 2001 and 2000. However, the County does not have the information available to reconcile beginning taxes uncollected and undistributed by agency for years ending before July 1, 1999. In addition, the current reconciliations do not include sufficient detail to complete the schedule recommended by the Office of the State Auditor.

*Criteria*

Regulation 2.2.2.12 (D)(2) NMAC, which is part of the regulation commonly known as the "State Auditor Rule" requires counties to present a Property Tax Schedule showing the amount of taxes levied, collected in the current year, collected-to-date, distributed in the current year, distributed to date, the amount determined to be uncollectible in the current year and to date, and the outstanding receivable balance at the end of the fiscal year, by Agency.

*Cause*

The Department of Finance and Administration requires that records be retained for six years, whereas the State Auditor requires ten-year retention. The County was following the requirements set by the Department of Finance and Administration.

*Effect*

The County is unable to comply with the provisions of 2.2.2.12(D)(2) NMAC.

*Recommendation*

We recommend the County make all reasonable attempts to reconcile taxes uncollected and undistributed by agency for the period prior to July 1, 2000, and that the County adjust its current reconciliations to include the detailed information required by the regulation.

*Client Response*

The Eddy County Treasurer's Office has met with the auditors. We feel that our maintenance format requested by the State Auditor has the information required, however the breakdown by each individual entity needs to be more explicit. For periods prior to July 1, 2000, the information is not available. We will make all attempts to adjust the current reconciliations to include the detailed information required. It is anticipated that significant work will commence immediately after this tax season.

2006-4: Payroll Tax Reporting

*Condition*

Line 2 of the Forms 941 did not include fringe benefit amounts required to be included for the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2005.

STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)**

2006-4: Payroll Tax Reporting (continued)

***Criteria***

IRS Form 941 instructions require all amounts subject to federal income tax to be included on line 2 wages.

***Cause***

A payroll clerk left the County and the errors occurred during the transition period when a different employee was preparing the Forms 941.

***Effect***

Incorrect amounts were reported to the Internal Revenue Service on line 2 of Forms 941.

***Recommendation***

The County has corrected the problem and did accurately report the amounts on line 2 of the Forms 941 for the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2006.

***Client Response***

The County's Payroll Clerk was on extended sick leave and the department's manager prepared the quarterly 941 forms which omitted the amounts for the fringe benefits. However, fringe benefits were properly reported on the employee's W-2 forms for taxing accountability and the IRS did not assess any penalties.

2006-5: I-9 Compliance

***Condition***

During our examination of the County's personnel files, we noted that one I-9 form did not have proper second identification documented.

***Criteria***

The Immigration Reform and Control Act of 1986 requires employers to complete an I-9 within 3 days of the employee start date to verify the employee is eligible to work in the United States. The employee may provide evidence of applying for a duplicate of an original document during the 3-day period, but then must submit the original document within 90 days.

***Cause***

An error was made either in determining what documents are allowed or in not following up to make sure the original document was verified within 90 days.

***Effect***

The County is not in compliance with governing regulations and is subject to fines and/or other penalties.

STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)**

2006-5: I-9 Compliance (continued)

*Recommendation*

We recommend the County verify the employee's work eligibility and make sure that it is following I-9 requirements in the future.

*Client Response*

Upon review of the personnel files, it was noted that there was a notation made in the file that the employee had lost his Social Security Card and had applied for a replacement. The application notice was valid for 90 days. The employee did provide a new Social Security Card in that period and a copy was placed in the personnel file.

2006-6: Cash Reconciliation

*Condition*

During our testing of the cash reconciliation by the Treasurer, it was noted that the general fund balance was understated by \$154,195. This amount was held in a CD by the bank in the County's name and was excluded from the Treasurer's Report.

*Criteria*

According to 6.20.2.14 (K) NMAC, all bank accounts shall be reconciled on a monthly basis and differences should be located and corrected.

*Cause*

An error was made in recording a portion of a tax assessment that was paid under protest.

*Effect*

The cash balance in the general fund and the overall pooled cash accounts of the County were understated by \$154,195.

*Recommendation*

A proper reconciliation including all cash accounts should be done monthly, and discrepancies should be located and properly recorded. The reconciliation process should be properly supervised in order to improve internal controls over cash.

*Client Response*

The incident was a first of this type for the Eddy County Treasurer's Office. Taxes were paid under protest and the money was deposited and invested in the Protest Fund. Adjustment was made to the General Fund to show this amount as transferred to the Protest Fund. All of the required correcting entries were made to correct the General Fund balance.

STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)**

2006-7: Information Technology (IT) Issues

*Condition*

The County employs a competent and capable Information Technology staff. It was noted, however, during the course of our audit that several IT systems may be outdated and are not fully integrated which results in certain inefficiencies.

*Criteria*

A good system of internal control and sound management practices dictate that all aspects of a financial system should be integrated, and that controls should be in place to ensure timely and accurate processing and sharing of information.

*Cause*

The County currently utilizes hardware and operating system software which may be outdated and may not efficiently serve the needs of the County.

*Effect*

There are certain inefficiencies created in the financial processes, and in some instances inaccuracies of information. Some examples include the budgeting process and the fixed asset maintenance and record keeping. Inaccuracies require additional time by County staff to address and correct differences.

*Recommendation*

We suggest the County conduct an IT survey to comprehensively evaluate the needs of all potential preparers and users of information.

*Client Response*

Eddy County departments obtain and control their own software applications, input their data, and verify their processes. The Information Systems department implements and maintains the required hardware and platform. We will continue to streamline work processes, work with software vendors, and train employees on procedures.

**C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

US DEPARTMENT OF HOMELAND SECURITY – EQUIPMENT GRANT – CFDA NO. 97.004

2006-8: Grant Reporting and Reimbursement Administration

*Condition*

Reimbursement requests were not reconciled to the amounts reimbursed, and requests for reimbursements were not timely made.



STATE OF NEW MEXICO  
EDDY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (continued)

US DEPARTMENT OF HOMELAND SECURITY – EQUIPMENT GRANT – CFDA NO. 97.004  
2006-8: Grant Reporting and Reimbursement Administration (continued)

*Criteria*

Article IV, E, of the Homeland Security EMPG Grant #2005-GE-T5-0012-E and Article IV, D, of the Equipment Grant #2004-GE-GE-T4-0005-P require that appropriate documentation be submitted with a Request for Payment when the quarterly performance reports are submitted.

*Cause*

A lack of diligence in managing the grant reporting and reimbursement requests appears to be the cause of these issues.

*Effect*

The County may be at risk of not discovering that certain expenses are not reimbursable in time to reevaluate ongoing expenses that are being made in the expectation that reimbursements will be forthcoming. In addition the County is not reporting and submitting reimbursement requests in accordance with the requirement of the grants.

*Recommendation*

We recommend the County allocate the necessary resources to timely complete quarterly reports and requests for reimbursement.

*Client Response*

With the addition of an Administration Assistant to the Emergency Management office and the newly formed Fire Services Coordinator, grant reimbursements should be made in a more timely manner.

D. FINDINGS – PRIOR YEAR AUDIT

FS 2005-1 : Budgeting - revised and repeated in current year as finding 2006-1.

FS 2005-2 : Capital Assets and Infrastructure - revised and repeated in current year as finding 2006-2.

FS 2005-3 : Reconciliation of Tax Rolls by Agency - repeated in current year as finding 2006-3.

FS 2005-4 : Purchasing Cards - resolved and not repeated in the current year.

FS 2005-5 : 941 Reconciliations - resolved and not repeated in the current year.

15-12-06  
[Signature]

STATE OF NEW MEXICO  
EDDY COUNTY  
OTHER DISCLOSURES  
For the Year Ended June 30, 2006

**AUDITOR PREPARED FINANCIAL STATEMENTS**

Although it would be preferred and desirable for the Agency to prepare its own GAAP-basis financial statements, it is felt that the County's personnel do not have the time to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

**EXIT CONFERENCE**

The contents of this report were discussed on November 15, 2006. The following individuals were in attendance.

Eddy County Officials

Lucky Briggs, Commissioner (Chairman)  
Janell Whitlock, Commissioner (Vice-Chairman)  
Emma Salgado, Treasurer  
Debbie Penaluna, Finance Director  
Carol Hennington, IS  
Karen Killgore, Accounts Payable

Auditor

S. John Manganaro, CPA  
Barton S. Schwarzbek, CPA

*je*  
*12-15-06*