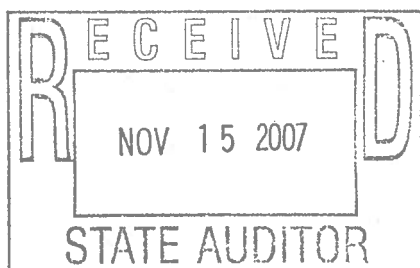


INTRODUCTORY SECTION



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STATE OF NEW MEXICO

Eddy County
Official Roster
June 30, 2007

<u>Name</u>	<u>Title</u>
Janell Whitlock	Chairman
Guy Lutman	Vice-Chairman
Lewis Derrick	Member
Tony Hernandez	Member
Jack Volpato, Jr	Member
Steve Massey	County Manager
Darlene Rosprim	County Clerk
Emma Salgado	County Treasurer
Karen Robinson	County Assessor
Kent Waller	County Sheriff
Charlene Wright	Probate Judge

STATE OF NEW MEXICO
 Eddy County
 Annual Financial Report
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FINANCIAL SECTION

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Accounting & Consulting Group, LLP

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the General Fund and Civil Emergency Special Revenue Fund and the aggregate remaining fund information of Eddy County (County) as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and budgetary comparisons for the remaining 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, 2007 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 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, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and Civil Emergency 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, 2007, and the respective changes in financial position and the budgetary comparisons for the remaining 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 November 15, 2007 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, the combining and individual fund financial statements and the budgetary comparisons. 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 V 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 financial statements, and each of the County's nonmajor governmental funds financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and each of the County's nonmajor governmental funds 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
November 15, 2007

STATE OF NEW MEXICO
 Eddy County
 Management's Discussion and Analysis
 Eddy County
 Year Ended June 30, 2007

This discussion and analysis of the County of Eddy's (County) financial performance provides an overview of the County's financial activities for the fiscal year ending June 30, 2007. 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 2007 by \$87,220,921 (net assets) for an increase of 7.8% over 2006. Of this amount, \$7,037,791 is restricted for specific purposes. As required by GASB 34, net assets also reflect \$50,572,509 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 \$38,955,863.
- Eddy County has no General Obligation Bond indebtedness.
- Oil and Gas production and equipment taxes were down 4.6% to \$11,954,898 for 2007.
- Gasoline and motor vehicle taxes remained flat at \$1,109,316 for 2007.
- Gross Receipts Taxes were down 1.7% to \$9,161,660 for 2007.
- Overall expenditures increased 11.57%.
- Overall fund balance showed a 19.47% increase for 2007.

Of the County's total assets of \$91,599,645, the largest components are: (1) cash and cash equivalents of \$34,421,295 or 37.6%, and (2) capital assets net of accumulated depreciation of \$50,859,574 or 55.52%.

The County's net assets for fiscal year ended June 30, 2006 and 2007 are summarized as follows:

Governmental Activities		
	2006	2007
Current and other assets	\$ 34,475,338	\$ 40,740,071
Capital assets (net of depreciation)	50,945,509	50,859,574
Total assets	85,420,847	91,599,645
Current liabilities	1,791,748	1,489,515
Long-term liabilities	2,787,290	2,889,209
Total liabilities	4,579,038	4,378,724
Net assets:		
Invested in capital assets, net of related debt	50,621,235	50,572,509
Restricted	6,600,707	7,037,791
Unrestricted	23,619,867	29,610,621
Total net assets	\$ 80,841,809	\$ 87,220,921

STATE OF NEW MEXICO
Eddy County
Management's Discussion and Analysis
Eddy County
Year Ended June 30, 2007

MAJOR REVENUE FUNDS
(Reflected in thousands of dollars)

Fund	2005	2006	2007
General Fund	\$ 23,742	\$ 26,230	\$ 26,559
Environmental Services	861	1,463	1,428
County Indigent Fund	1,600	2,792	2,644
Fire Excise Tax – Gross Receipts Fund	1,372	2,495	2,429
Capital Improvements Fund	1,018	935	974
Protest Suspense Fund	-	-	1,041

EXPLANATION OF MAJOR REVENUE FUND DIFFERENCES

General Fund – the increase in the general fund revenue from 2006 to 2007 is attributed to an increase in investment income.

Environmental Services – The gross receipts revenue has remained relatively flat over the past year showing a slight decrease from 2006 to 2007. This is due mainly to continued activity in the oil and gas industry.

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

Fire Excise – The gross receipts revenue has remained relatively flat over the past year showing a slight decrease from 2006 to 2007. This is due mainly to continued activity in the oil and gas industry.

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

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

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

	2005	2006	2007
Property Taxes	\$ 5,235	\$ 6,365	\$ 7,833
Oil and Gas Production	9,853	10,790	9,701
Oil and Gas Equipment	1,565	1,715	2,105
Interest on Investments	472	939	1,479
PILT	1,884	1,919	1,907
Indigent GRT	1,571	2,692	2,625
Environmental GRT	727	1,392	1,253
Fire Excise GRT	1,372	2,495	2,507

STATE OF NEW MEXICO
 Eddy County
 Management's Discussion and Analysis
 Eddy County
 Year Ended June 30, 2007

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

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

Interest on Investments – the 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 increased in activity in the oil and gas industry.

CASH BALANCES ON JUNE 30

2005 2006 2007
 \$21,851 \$29,309 \$34,421

MAJOR EXPENDITURE FUNDS
 (Reflected in thousands of dollars)

Fund	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund	\$ 21,069	\$ 19,482	\$ 20,715
Environmental Services	1,180	700	740
County Indigent Fund	2,464	2,158	2,806
Fire Excise Tax – Gross Receipts Fund	614	2,387	2,027
Capital Improvements Fund	281	362	763

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 \$2.8 million in tax revenues due primarily to increased oil and gas activity, and an increase in the gross receipts tax.

STATE OF NEW MEXICO
Eddy County
Management's Discussion and Analysis
Eddy County
Year Ended June 30, 2007

CAPITAL ASSETS ACTIVITY

A summary of capital assets and changes occurring during the year ended June 30, 2007 follows. Land is not subject to depreciation.

	June 30, 2006	Additions	Retirements	Balance June 30, 2007
Capital assets not being depreciated:				
Land	\$ 3,518,014	\$ 295,983	\$ -	\$ 3,813,997
Construction in progress	847,074	998,807	1,602,075	243,806
Total capital assets not being depreciated	<u>4,365,088</u>	<u>1,294,790</u>	<u>1,602,075</u>	<u>4,057,803</u>
Capital assets being depreciated:				
Landfill	686,696	-	-	686,696
Buildings and building improvements	24,250,915	106,529	144,330	24,213,114
Infrastructure	27,021,620	1,127,460	1,102,151	27,046,929
Equipment & furnishings	20,609,266	4,478,012	1,161,634	23,925,644
Total capital assets being depreciated	<u>72,568,497</u>	<u>5,712,001</u>	<u>2,408,115</u>	<u>75,872,383</u>
Less accumulated depreciation for:				
Buildings and building improvements	6,748,861	701,558	-	7,450,419
Infrastructure	8,476,893	1,252,761	85,835	9,643,819
Equipment & furnishings	10,762,321	2,092,690	878,637	11,976,374
Total accumulated depreciation	<u>25,988,075</u>	<u>4,047,009</u>	<u>964,472</u>	<u>29,070,612</u>
Total capital assets being depreciated, net	<u>46,580,422</u>	<u>1,664,992</u>	<u>1,443,643</u>	<u>46,801,771</u>
Governmental activities capital assets, net	<u>\$ 50,945,510</u>	<u>\$ 2,959,782</u>	<u>\$ 3,045,718</u>	<u>\$ 50,859,574</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.

STATE OF NEW MEXICO
Eddy County
Management's Discussion and Analysis
Eddy County
Year Ended June 30, 2007

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

2006-2007 Expenditures
\$33,728,960

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% is controlled by federal agencies such as the Bureau of Land Management, Bureau of Reclamation, National Park Service, Department of Energy and the U. S. Forrest Service.

STATE OF NEW MEXICO
Eddy County
Management's Discussion and Analysis
Eddy County
Year Ended June 30, 2007

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

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

Other major sources of revenue include Oil & Gas production taxes, which generated about \$12 million this year, Gross Receipts taxes, which generate about \$9.2 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 2006/2007 general fund budget of approximately \$20.7 million. With special funds such as the Eagle Draw Flood District, 12 Volunteer Fire Departments, DWI and Drug programs and Artesia Motor Vehicle Department, the total operating budget is around \$33.7 million. There are over 60 funds administered by Eddy County.

**EDDY COUNTY
DEPARTMENTS & SERVICES**

COUNTY COMMISSION AND ADMINISTRATION

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

COUNTY ASSESSOR

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

COUNTY CLERK

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

COUNTY SHERIFF

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

COUNTY TREASURER

The elected County Treasurer is responsible for the supervision of all county moneys received and disbursed, regular accounts of all warrants drawn and paid, and serves ex-officio as the county tax collector. All fiscal activities with the county must be coordinated through the County Treasurer.

PROBATE JUDGE

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

STATE OF NEW MEXICO
Eddy County
Management's Discussion and Analysis
Eddy County
Year Ended June 30, 2007

ROAD DEPARTMENT

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

DETENTION

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

EMERGENCY PREPAREDNESS

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

SPECIAL SERVICES

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

EDDY COUNTY MISSION STATEMENT

**EXCELLENCE IN LEADERSHIP
QUALITY SERVICE
VISION**

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

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

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

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

The County Commission and Elected Officials of Eddy County thank you for your trust and support as they serve you during their terms.

STATE OF NEW MEXICO
Eddy County
Management's Discussion and Analysis
Eddy County
Year Ended June 30, 2007

PHILOSOPHY

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

REQUEST FOR INFORMATION

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

**BASIC
FINANCIAL STATEMENTS**

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STATE OF NEW MEXICO
Eddy County
Statement of Net Assets
June 30, 2007

Exhibit A-1

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 34,421,295
Receivables:	
Taxes	4,820,337
Intergovernmental	235,408
Interest	248,647
Prepaid assets	293,985
Restricted assets:	
Cash and cash equivalents temporarily restricted for:	
Bond project fund	21,328
Landfill closure and postclosure	699,071
Capital assets (net of accumulated depreciation)	<u>50,859,574</u>
Total assets	<u>\$ 91,599,645</u>
 LIABILITIES AND NET ASSETS	
Accounts payable	\$ 801,371
Accrued expenses	529,359
Noncurrent liabilities:	
Compensated absences	
Due within one year	121,576
Due in more than one year	540,767
Loans payable	
Due within one year	37,209
Due in more than one year	249,856
Landfill closure, due in more than one year	<u>2,098,586</u>
Total liabilities	<u>4,378,724</u>
Invested in capital assets, net of related debt	50,572,509
Restricted for:	
Capital projects	7,037,791
Unrestricted	<u>29,610,621</u>
Total net assets	<u>87,220,921</u>
Total liabilities and net assets	<u>\$ 91,599,645</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, 2007

Functions/Programs	Program Revenues			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 11,477,802	\$ 776,518	\$ 1,087,283	\$ -
Public safety	11,443,768	584,568	2,874,673	-
Highways and roads	4,595,313	-	323,873	-
Health and sanitation	3,368,335	142,742	248,812	-
Culture and recreation	1,583,228	-	126,409	-
Interest on long-term debt	9,124	-	-	-
Total governmental activities	<u>32,477,570</u>	<u>1,503,828</u>	<u>4,661,050</u>	<u>-</u>
Total primary government	<u>\$ 32,477,570</u>	<u>\$ 1,503,828</u>	<u>\$ 4,661,050</u>	<u>\$ -</u>

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 - beginning
- Net assets - ending

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

**Net (Expenses) Revenue
and Changes in Net Assets**

**Governmental
Activities**

\$	(9,614,001)
	(7,984,527)
	(4,271,440)
	(2,976,781)
	(1,456,819)
	<u>(9,124)</u>
	<u>(26,312,692)</u>
	<u>(26,312,692)</u>

	7,832,825
	9,161,660
	11,954,897
	1,906,665
	1,109,316
	68,259
	482,472
	1,552,366
	<u>(1,376,656)</u>
	<u>32,691,804</u>
	6,379,112
	80,841,809
\$	<u>87,220,921</u>

STATE OF NEW MEXICO
Eddy County
Balance Sheet
Governmental Funds
June 30, 2007

Exhibit B-1
 (Page 1 of 2)

ASSETS	General Fund	Civil Emergency	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 11,997,752	\$ -	\$ 22,423,543	\$ 34,421,295
Receivables:				
Taxes	2,573,870	-	570,082	3,143,952
Intergovernmental	225,252	860,357	826,184	1,911,793
Interest	248,647	-	-	248,647
Prepaid expenses	293,985	-	-	293,985
Advances to fire districts	82,845	-	-	82,845
Interfund receivable	1,947,281	-	-	1,947,281
Restricted cash and cash equivalents	-	-	720,399	720,399
<i>Total assets</i>	\$ 17,369,632	\$ 860,357	\$ 24,540,208	\$ 42,770,197
 LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 345,315	\$ 4,038	452,017	\$ 801,370
Accrued expenses	496,342	5,500	27,517	529,359
Advances from general fund	-	-	82,845	82,845
Interfund payable	-	1,612,884	334,397	1,947,281
Deferred revenue	415,636	-	37,843	453,479
<i>Total liabilities</i>	1,257,293	1,622,422	934,619	3,814,334
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	293,985	-	-	293,985
Advances to fire districts	82,845	-	-	82,845
Landfill closure	-	-	699,071	699,071
Unreserved:				
Undesignated, reported in:				
General fund	15,735,509	-	-	15,735,509
Special revenue funds	-	(762,065)	11,014,814	10,252,749
Capital projects funds	-	-	3,832,585	3,832,585
Debt service funds	-	-	8,059,119	8,059,119
<i>Total fund balances</i>	16,112,339	(762,065)	23,605,589	38,955,863
<i>Total liabilities and fund balances</i>	\$ 17,369,632	\$ 860,357	\$ 24,540,208	\$ 42,770,197

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Eddy County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Assets

June 30, 2007

Exhibit B-1
(Page 2 of 2)

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

Fund balances - total governmental funds	\$	38,955,863
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		50,859,574
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Property taxes		453,478
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		<u>(3,047,994)</u>
Net assets - Statement of Net Assets	\$	<u>87,220,921</u>

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

STATE OF NEW MEXICO

Eddy County

Exhibit B-2
(Page 1 of 2)Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	General Fund	Civil Emergency	Other Governmental Funds	Total
Revenues:				
Taxes:				
Property	\$ 6,207,653	\$ -	\$ 1,403,270	\$ 7,610,923
Gross receipts	1,783,598	-	7,378,062	9,161,660
Oil and gas taxes	11,954,898	-	-	11,954,898
Gasoline and motor vehicle	1,109,316	-	-	1,109,316
Other	174	-	68,035	68,209
Intergovernmental:				
Federal operating grants	87,315	-	2,146,808	2,234,123
Federal capital grants	-	-	-	-
State operating grants	2,331,047	1,554,829	646,396	4,532,272
State capital grants	-	-	-	-
Charges for services	708,351	10,000	124,837	843,188
Licenses and fees	430,270	-	230,370	660,640
Investment income	1,549,514	-	2,852	1,552,366
Miscellaneous	376,970	-	85,502	462,472
Total revenues	26,539,106	1,564,829	12,086,132	40,190,067
Expenditures:				
Current:				
General government	8,999,847	-	1,961,354	10,961,201
Public safety	7,281,748	711,114	2,797,223	10,790,085
Highways and roads	3,378,380	-	45,000	3,423,380
Health and sanitation	-	-	3,209,562	3,209,562
Culture and recreation	1,055,339	-	527,889	1,583,228
Debt service	-	-	46,333	46,333
Capital outlay	-	1,719,291	2,174,510	3,893,801
Total expenditures	20,715,314	2,430,405	10,761,871	33,907,590
Excess (deficiency) of revenues over expenditures	5,823,792	(865,576)	1,324,261	6,282,477
Other financing sources (uses):				
Sale of capital assets	-	-	66,987	66,987
Operating transfers in (out)	(153,495)	109,000	44,495	-
Total other financing sources (uses)	(153,495)	109,000	111,482	66,987
Net changes in fund balances	5,670,297	(756,576)	1,435,743	6,349,464
Fund balance - beginning of year	10,462,042	(5,489)	22,149,846	32,606,399
Fund balance - restatement (Note 14)	(20,000)	-	20,000	-
Fund balance - beginning of year, restated	10,442,042	(5,489)	22,169,846	32,606,399
Fund balance - end of year	\$ 16,112,339	\$ (762,065)	\$ 23,605,589	\$ 38,955,863

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

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
For the Year Ended June 30, 2007

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

Net changes in fund balances - all governmental funds	\$	6,349,464
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		5,404,714
Depreciation expense		(4,047,009)
The effect of removing obsolete items included in capital assets is to decrease net assets.		(1,443,643)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:		
Property taxes		221,902
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		(5,278)
Principal payments on notes		37,209
Increase in liability for landfill closure		(138,247)
Change in net assets of governmental activities	\$	<u>6,379,112</u>

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ 6,105,875	\$ 6,105,875	\$ 6,190,972	\$ 85,097
Gross receipts	1,364,608	1,364,608	1,789,808	425,200
Oil and gas taxes	9,540,000	9,540,000	11,863,588	2,323,588
Gasoline and motor vehicle	1,000,000	1,000,000	1,014,560	14,560
Other	250	250	175	(75)
Intergovernmental:				
Federal operating grants	75,000	75,000	87,315	12,315
State operating grants	1,950,740	1,950,740	2,331,047	380,307
State capital grants	-	-	-	-
Charges for services	416,500	416,500	665,267	248,767
Licenses and fees	374,325	374,325	430,270	55,945
Investment income	500,000	600,000	1,478,632	878,632
Miscellaneous	342,739	342,739	379,037	36,298
<i>Total revenues</i>	<u>21,670,037</u>	<u>21,770,037</u>	<u>26,230,671</u>	<u>4,460,634</u>
<i>Expenditures:</i>				
Current:				
General government	9,454,510	9,746,596	8,899,347	847,249
Public safety	7,688,794	7,904,326	7,236,455	667,871
Highways and roads	3,929,332	4,059,579	3,342,242	717,337
Health and sanitation	-	-	-	-
Culture and recreation	854,214	1,055,339	1,055,339	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>21,926,850</u>	<u>22,765,840</u>	<u>20,533,383</u>	<u>2,232,457</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(256,813)</u>	<u>(995,803)</u>	<u>5,697,288</u>	<u>6,693,091</u>
<i>Other financing sources (uses):</i>				
Designated cash	256,813	2,153,348	-	(2,153,348)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	(1,157,545)	(153,495)	1,004,050
<i>Total other financing sources (uses)</i>	<u>256,813</u>	<u>995,803</u>	<u>(153,495)</u>	<u>(1,149,298)</u>
<i>Net change in fund balance</i>	-	-	5,543,793	5,543,793
<i>Fund balance - beginning of year as restated, Note 14</i>	-	-	8,484,087	8,484,087
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 14,027,880	\$ 14,027,880

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

STATE OF NEW MEXICO

Exhibit C-2

Eddy County
Civil EmergencyStatement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,195,504	2,872,342	694,472	(2,177,870)
Charges for services	-	-	-	-
Licenses and fees	12,500	12,500	10,000	(2,500)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,208,004	2,884,842	704,472	(2,180,370)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	359,676	719,228	707,912	11,316
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	1,194,000	1,980,945	1,719,292	261,653
Total expenditures	1,553,676	2,700,173	2,427,204	272,969
Excess (deficiency) of revenues over expenditures	(345,672)	184,669	(1,722,732)	(1,907,401)
Other financing sources (uses):				
Designated cash	345,672	(293,669)	-	293,669
Operating transfers in (out)	-	109,000	109,000	-
Total other financing sources (uses)	345,672	(184,669)	109,000	293,669
Net change in fund balance	-	-	(1,613,732)	(1,613,732)
Fund balance - beginning of year:				
Designated for subsequent year expenditures	-	-	55,341	55,341
Undesignated	-	-	(54,494)	(54,494)
Fund balance - end of year	\$ -	\$ -	\$ (1,612,885)	\$ (1,612,885)

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

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STATE OF NEW MEXICO
Eddy County
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
Year Ended June 30, 2007

Exhibit D

ASSETS

Cash and temporary investments	\$ 1,342,307
Receivables:	
Property taxes	1,570,790
Other taxes	<u>1,568,245</u>
<i>Total assets</i>	<u><u>\$ 4,481,342</u></u>

LIABILITIES

Due to other taxing units	<u>\$ 4,481,342</u>
<i>Total liabilities</i>	<u><u>\$ 4,481,342</u></u>

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

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STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

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, 2007

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, 2007

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 *Civil Emergency Special Revenue Fund* is used to account for state grants used 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.

Additionally, the government reports the following fund types:

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

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

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

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

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 1. Summary of Significant Accounting Policies (continued)

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 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

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

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental column in the government-wide financial statements. 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).

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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:

Assets	Years
Buildings	25-40
Building improvements	25-40
Vehicles and equipment	5-15
Computer Hardware	5
Software	5-20
Roads	25

Accrued expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2007, along with the applicable PERA and Retiree Health Care.

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

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

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

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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.

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 budgetary basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

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

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

The Board of County Commissioners throughout the year properly amended the appropriated budget for the year ended June 30, 2007. These amendments resulted in the following changes:

	Excess (deficiency of revenues) over expenditures	
	<u>Original Budget</u>	<u>Final Budget</u>
Budgeted funds		
General fund	\$ <u>(256,813)</u>	\$ <u>(995,303)</u>
Civil Emergency	\$ <u>(312,672)</u>	\$ <u>(1,070,151)</u>
Other government funds	\$ <u>(9,477,050)</u>	\$ <u>(5,749,102)</u>

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.

	<u>General Fund</u>	<u>Civil Emergency</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis)	\$ 5,690,297	\$ (756,576)	\$ 1,415,743	\$ 6,349,464
Adjustments:				
Accounts receivable	(308,435)	(860,357)	240,827	(927,965)
Prepaid expenses	-	-	(23,796)	(23,796)
Accounts payable	(106,142)	1,284	(349,191)	(454,049)
Accrued expenses	<u>288,073</u>	<u>1,917</u>	<u>(3,798)</u>	<u>286,192</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget basis)	<u>\$ 5,563,793</u>	<u>\$ (1,613,732)</u>	<u>\$ 1,279,785</u>	<u>\$ 5,229,846</u>

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 2. Stewardship, Compliance and Accountability (continued)

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:

Civil Emergency Special Revenue Fund	\$	762,065
Loco Hills Fire District Special Revenue Fund		3,811
EMS - Sun County Special Revenue Fund		242
EMS - Malaga Special Revenue Fund		442
Law Enforcement Protection Act Special Revenue Fund		763
CDBG Colonias Special Revenue Fund		95,637
Cottonwood Special Revenue Fund		34,124
Otis Special Revenue Fund		15,100
Legislative Appropriations Capital Projects Fund		225,619

B. Designated cash appropriations in excess of available balances:

Region VI Task Force Special Revenue Fund	\$	2,729
Legislative Appropriations Capital Projects Fund		600,548

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

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, 2007.

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

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

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

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. As of June 30, 2007 \$27,879,140 of the County's bank balances of \$28,825,896 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, 2007			
Total amount of deposits	\$ 8,136,748	\$ 3,800,000	\$ 3,400,000
FDIC Coverage	(200,000)	(100,000)	(100,000)
Total uninsured public funds	7,936,748	3,700,000	3,300,000
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	6,908,247	1,956,005	1,573,448
Uninsured and uncollateralized	<u>\$ 1,028,501</u>	<u>\$ 1,743,995</u>	<u>\$ 1,726,552</u>
Collateral requirement (50% of uninsured public funds)	\$ 3,968,374	\$ 1,850,000	\$ 1,650,000
Pledged securities	6,908,247	1,956,005	1,573,448
Over (under) collateralization	<u>\$ 2,939,873</u>	<u>\$ 106,005</u>	<u>\$ (76,552)</u>

(continued)

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

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, 2007			
Total amount of deposits	\$ 4,005,500	\$ 2,900,000	\$ 4,245,626
FDIC Coverage	(105,500)	(100,000)	(200,000)
Total uninsured public funds	3,900,000	2,800,000	4,045,626
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	2,778,854	1,822,690	2,390,950
Uninsured and uncollateralized	<u>\$ 1,121,146</u>	<u>\$ 977,310</u>	<u>\$ 1,654,676</u>
Collateral requirement (50% of uninsured public funds)	\$ 1,950,000	\$ 1,400,000	\$ 2,022,813
Pledged securities	2,778,854	1,822,690	2,390,950
Over (under) collateralization	<u>\$ 828,854</u>	<u>\$ 422,690</u>	<u>\$ 368,137</u>

	<u>Artesia National Bank</u>	<u>City of Carlsbad</u>	<u>Total</u>
Year ended June 30, 2007			
Total amount of deposits	\$ 1,641,256	\$ 696,767	\$ 28,825,897
FDIC Coverage	(141,256)	-	(946,756)
Total uninsured public funds	1,500,000	696,767	27,879,141
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	820,299	348,384	18,598,877
Uninsured and uncollateralized	<u>\$ 679,701</u>	<u>\$ 348,383</u>	<u>\$ 9,280,264</u>
Collateral requirement (50% of uninsured public funds)	\$ 750,000	\$ 348,384	\$ 13,939,571
Pledged securities	820,299	348,384	18,598,877
Over (under) collateralization	<u>\$ 70,299</u>	<u>\$ -</u>	<u>\$ 4,659,306</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, 2007

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, 2007, 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, 2007			
Investments held by NMFA at the Bank of Albuquerque for the County	\$ 21,328	\$ -	\$ 21,328
Investment in the State Treasurer's Local Government Investment Pool	<u>-</u>	<u>8,000,000</u>	<u>8,000,000</u>
Total investments subject to custodial credit risk	<u>\$ 21,328</u>	<u>\$ 8,000,000</u>	<u>\$ 8,021,328</u>

Credit and Interest Rate Risk

As of June 30, 2007, the County's investments were rated as follows:

	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
<i>New MexiGROW</i> LGIP	AAAm	\$8,000,000	24-days
Bank of Albuquerque	Not Rated	21,228	Less than 90 days

The *New MexiGROW* Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 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.

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's and confiscation related funds.

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 3. Deposits and Investments (continued)

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:

	June 30, 2007
Carrying amount	
Deposits	\$ 28,615,562
Investments	8,021,228
Petty Cash	1,350
	\$ 36,638,140
Included in the following Statement of Net Assets captions	
Cash and cash equivalents	\$ 34,421,295
Restricted cash and cash equivalents	720,399
	\$ 35,141,694
Agency funds	1,342,307
	\$ 36,484,001

NOTE 4. Accounts Receivable

Accounts receivable as of June 30, 2007, are as follows:

	General Fund	Civil Emergency	Nonmajor Governmental Funds	Total
Taxes receivable:				
Property taxes	\$ 484,143	\$ -	\$ 30,429	\$ 514,572
State of New Mexico				
Oil and gas taxes	1,737,228	-	-	1,737,228
Gasoline	167,339	-	-	167,339
Gross receipts taxes	325,079	860,357	1,215,762	2,401,198
	2,713,789	860,357	1,246,191	4,820,337
Intergovernmental:				
State of New Mexico				
Grants	-	-	136,725	136,725
Other				
City of Carlsbad	24,540	-	-	24,540
Other	33,373	-	13,350	46,723
State of New Mexico				
Corrections	27,420	-	-	27,420
	85,333	-	150,075	235,408
Accrued interest	248,647	-	-	248,647
	\$ 3,047,769	\$ 860,357	\$ 1,396,266	\$ 5,304,392

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 4. Accounts Receivable (continued)

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 \$453,479. There was also \$887,280 recorded as revenue for tax payments received under protest which are held in a separate fund until disposition of the protest.

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, 2007 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Artesia Motor Vehicle	General Fund	\$ 17,945
Law Enforcement Protection	General Fund	145
Communications Center	General Fund	100,000
Farm and Range	General Fund	15,000
Recreation	General Fund	105,600
Civil Emergency	General Fund	109,000
Loco Hills Fire District	Fire Excise Tax - Gross Receipts	7,105
EMS - White's City	Fire Excise Tax - Gross Receipts	2,774
EMS - Sun Country	Fire Excise Tax - Gross Receipts	4,610
General Fund	Protest Suspense Fund	154,195
General Fund	Courthouse Gross Receipts	40,000
Healthier Services	County Indigent	1,043
		<u>\$ 557,417</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:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Happy Valley Fire District	\$ 1,180
General Fund	HIDTA Metro Agency	49,522
General Fund	Otis Fire District	10,000
General Fund	Civil Emergency	1,612,884
General Fund	CDBG Colonias	112,518
General Fund	Legislative Appropriations	161,177
General Fund	Joel Fire District	10,000
		<u>\$ 1,957,281</u>

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

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Joel Fire District	37,276
General Fund	Otis Fire District	35,659
		<u>\$ 72,845</u>

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2007 follows. Land is not subject to depreciation.

	June 30, 2006	Additions	Retirements	Balance June 30, 2007
Capital assets not being depreciated:				
Land	\$ 3,518,014	\$ 295,983	\$ -	\$ 3,813,997
Construction in progress	847,074	998,807	1,602,075	243,806
Total capital assets not being depreciated	<u>4,365,088</u>	<u>1,294,790</u>	<u>1,602,075</u>	<u>4,057,803</u>
Capital assets being depreciated:				
Landfill	686,696	-	-	686,696
Buildings and building improvements	24,250,915	106,529	144,330	24,213,114
Infrastructure	27,021,620	1,127,460	1,102,151	27,046,929
Equipment & furnishings	20,609,266	4,478,012	1,161,634	23,925,644
Total capital assets being depreciated	<u>72,568,497</u>	<u>5,712,001</u>	<u>2,408,115</u>	<u>75,872,383</u>
Less accumulated depreciation for:				
Buildings and building improvements	6,748,861	701,558	-	7,450,419
Infrastructure	8,476,893	1,252,761	85,835	9,643,819
Equipment & furnishings	10,762,321	2,092,690	878,637	11,976,374
Total accumulated depreciation	<u>25,988,075</u>	<u>4,047,009</u>	<u>964,472</u>	<u>29,070,612</u>
Total capital assets being depreciated, net	<u>46,580,422</u>	<u>1,664,992</u>	<u>1,443,643</u>	<u>46,801,771</u>
Governmental activities capital assets, net	<u>\$ 50,945,510</u>	<u>\$ 2,959,782</u>	<u>\$ 3,045,718</u>	<u>\$ 50,859,574</u>

Depreciation expense for the year ended June 30, 2007 was charged to the following functions and funds:

General government	\$ 1,075,522
Public safety	1,022,854
Highways and roads	1,916,818
Health and sanitation	31,815
	<u>\$ 4,047,009</u>

STATE OF NEW MEXICO
 Eddy County
 Notes to the Financial Statements
 June 30, 2007

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:

Years ending June 30,	Principal	Interest	Total
2008	\$ 37,209	\$ 9,124	\$ 46,333
2009	42,525	8,443	50,968
2010	43,003	7,624	50,627
2011	43,545	6,672	50,217
2012	44,153	5,593	49,746
2013-2014	76,630	9,003	85,633
	<u>\$ 287,065</u>	<u>\$ 46,459</u>	<u>\$ 333,524</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

	Balance June 30, 2006	Additions	Reductions	Balance June 30, 2007	Due Within One Year
NMFA Loans					
September 2003	\$ 139,736	\$ -	\$ 16,034	\$ 123,702	\$ 16,034
February 2004	184,538	-	21,175	163,363	21,175
	<u>324,274</u>	-	37,209	287,065	37,209
Compensated absences	657,065	466,867	461,589	662,343	121,576
Landfill closure	1,960,339	138,247	-	2,098,586	-
	<u>\$ 2,941,678</u>	<u>\$ 605,114</u>	<u>\$ 498,798</u>	<u>\$ 3,047,994</u>	<u>\$ 158,785</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.

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

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.

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, 2007, 2006 and 2005 were \$1,750,000, \$1,740,410, and \$1,786,499, 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.

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 10. Post-Employment Benefits (continued)

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

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

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

For the years ended June 30, 2007, 2006 and 2005, the County remitted \$42,500, \$40,225, and \$41,290, 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.

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

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, 2007, which is based on the cumulative capacity of 5,574,000 cubic gate yards of air space to be used over its estimated life of 20 years. It is estimated that an additional \$2,269,500 of postclosure care costs will be recognized over 30 years after the landfill site is closed. The estimated total current cost of the landfill closure and postclosure care of \$17,716,627 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2007. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in state and federal landfill laws and regulations.

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

Estimated landfill closure cost	\$ 15,447,127
Estimated landfill postclosure care cost	<u>2,269,500</u>
 Total estimated closure and postclosure costs	 <u><u>\$ 17,716,627</u></u>
 Total capacity used to date (approximately 1,415,275 cubic gate yards) as a % of total capacity (5,974,000 cubic gate yards)	 23.69%
Estimated closure and postclosure care costs	\$ 4,197,171
Prior liability recognized	<u>3,920,678</u>
Total current year liability	276,493
	<u>50%</u>
County of Eddy portion	138,247
Prior year liability recognized	<u>1,960,339</u>
 Estimated liability for the year ended June 30, 2007	 <u><u>\$ 2,098,586</u></u>

STATE OF NEW MEXICO
Eddy County
Notes to the Financial Statements
June 30, 2007

NOTE 13. Accounting Standards

In April, 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans which amends GASB Statements No. 14, 25, 26, 27, 31 and 34, which is effective for financial statements for periods beginning after December 15, 2005. The Statement establishes uniform financial reporting standards for other post employment benefit plans and supersedes the interim guidance included in Statement No. 26. The County incorporated this statement for the current fiscal year, and believes it had no significant effect on the financial statements for the year.

In 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, with earlier application encouraged. This Statement establishes standards for the measurement, recognition, and display of other post employment benefits expense/expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In September, 2006 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, which is effective for all periods beginning after December 31, 2006. The statement establishes standards for reporting and disclosure of transactions involving the sale of a receivable or future revenue stream. Depending on the continuing involvement of the government, the sale could be recorded as a sale or as collateralized borrowing. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements on the upcoming year.

In November, 2006 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 49, Accounting and financial reporting for Pollution Remediation Obligations, which is effective for periods beginning after December 15, 2007. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities that are required upon retirement of an asset, such as landfill closure and postclosure care and nuclear power plant decommissioning. The County is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements on the upcoming years.

NOTE 14. Fund Balance and Net Assets Restatement

During the year ended June 30, 2007, the County identified certain repayments of advances to fire districts that were not applied to the balance of the advance. Accordingly, an adjustment was made to reclassify the payments as a reduction of the balances due from the fire districts to the General Fund. As a result, beginning fund balance was decreased in the amount of \$20,000 for the General Fund, and beginning fund balance for the Joel Fire District Fund and the Otis Fire District Fund were each increased by \$10,000. These funds were the only funds affected by this prior year restatement.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
Eddy County
Nonmajor Governmental Funds
June 30, 2007

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

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

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

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

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

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).

STATE OF NEW MEXICO
Eddy County
Nonmajor Governmental Funds
June 30, 2007

SPECIAL REVENUE FUNDS (Continued)

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.

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.

STATE OF NEW MEXICO
Eddy County
Nonmajor Governmental Funds
June 30, 2007

SPECIAL REVENUE FUNDS (Continued)

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

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

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

CAPITAL PROJECTS FUND

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

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.

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

DEBT SERVICE FUNDS

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.

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, 2007

ASSETS	Special Revenue Funds			
	Farm and Range	Recreation	Environmental Services	Atoka Fire District
Cash and cash equivalents	\$ 11,743	\$ 90,692	\$ 1,283,552	\$ 129,482
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	-	211,797	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	696,767	-
	<u>11,743</u>	<u>90,692</u>	<u>696,767</u>	<u>-</u>
Total assets	\$ 11,743	\$ 90,692	\$ 2,192,116	\$ 129,482
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ -	\$ 937	\$ 44,045	\$ 1,867
Accrued expenses	-	-	3,062	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>937</u>	<u>47,107</u>	<u>1,867</u>
Total liabilities	-	937	47,107	1,867
<i>Fund balances:</i>				
<i>Reserved for:</i>				
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Landfill closure	-	-	696,767	-
<i>Unreserved:</i>				
<i>Undesignated, reported in:</i>				
General fund	-	-	-	-
Special revenue funds	11,743	89,755	1,448,242	127,615
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
	<u>11,743</u>	<u>89,755</u>	<u>2,145,009</u>	<u>127,615</u>
Total fund balances	11,743	89,755	2,145,009	127,615
Total liabilities and fund balances	\$ 11,743	\$ 90,692	\$ 2,192,116	\$ 129,482

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
\$ 301,610	\$ 50,372	\$ 107,963	\$ 29,720	\$ 125	\$ 178,551
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,304	-	-
<u>\$ 301,610</u>	<u>\$ 50,372</u>	<u>\$ 107,963</u>	<u>\$ 32,024</u>	<u>\$ 125</u>	<u>\$ 178,551</u>
\$ 155	\$ 5,299	\$ 9,132	\$ 4,357	\$ 3,936	\$ 2,853
-	-	-	-	-	-
-	-	47,276	-	-	35,569
-	1,180	-	-	-	10,000
-	-	-	-	-	-
<u>155</u>	<u>6,479</u>	<u>56,408</u>	<u>4,357</u>	<u>3,936</u>	<u>48,422</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,304	-	-
-	-	-	-	-	-
301,455	43,893	51,555	25,363	(3,811)	130,129
-	-	-	-	-	-
<u>301,455</u>	<u>43,893</u>	<u>51,555</u>	<u>27,667</u>	<u>(3,811)</u>	<u>130,129</u>
<u>\$ 301,610</u>	<u>\$ 50,372</u>	<u>\$ 107,963</u>	<u>\$ 32,024</u>	<u>\$ 125</u>	<u>\$ 178,551</u>

STATE OF NEW MEXICO
Eddy County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

Special Revenue Funds

	White's City Fire District	Property Valuation	EMS - Atoka	EMS - Loco Hills
ASSETS				
Cash and cash equivalents	\$ 41,630	\$ 247,003	\$ 1	\$ 5,045
Receivables:				
Taxes	-	24,273	-	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
	<u>41,630</u>	<u>271,276</u>	<u>1</u>	<u>5,045</u>
<i>Total assets</i>	<u>\$ 41,630</u>	<u>\$ 271,276</u>	<u>\$ 1</u>	<u>\$ 5,045</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 2,646	\$ 1,940	\$ -	\$ -
Accrued expenses	-	-	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	22,193	-	-
	<u>2,646</u>	<u>24,133</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>2,646</u>	<u>24,133</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	38,984	247,143	1	5,045
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
	<u>38,984</u>	<u>247,143</u>	<u>1</u>	<u>5,045</u>
<i>Total fund balances</i>	<u>38,984</u>	<u>247,143</u>	<u>1</u>	<u>5,045</u>
<i>Total liabilities and fund balances</i>	<u>\$ 41,630</u>	<u>\$ 271,276</u>	<u>\$ 1</u>	<u>\$ 5,045</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
\$ 4,498	\$ 6,766	\$ 116,486	\$ 71,288	\$ 32,079	\$ 71
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,498</u>	<u>6,766</u>	<u>116,486</u>	<u>71,288</u>	<u>32,079</u>	<u>71</u>
\$ 4,498	\$ 6,766	\$ 116,486	\$ 71,288	\$ 32,079	\$ 71
-	1,366	1,049	2,325	765	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,366</u>	<u>1,049</u>	<u>2,325</u>	<u>765</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,498	5,400	115,437	68,963	31,314	71
-	-	-	-	-	-
<u>4,498</u>	<u>5,400</u>	<u>115,437</u>	<u>68,963</u>	<u>31,314</u>	<u>71</u>
\$ 4,498	\$ 6,766	\$ 116,486	\$ 71,288	\$ 32,079	\$ 71

STATE OF NEW MEXICO
Eddy County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue Funds			
	EMS - Sun Country	HIDTA Grant- Metro Agency	EMS - Riverside	EMS - Cottonwood
ASSETS				
Cash and cash equivalents	\$ 5	\$ -	\$ 4,138	\$ 23,757
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	75,468	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ 5</u>	<u>\$ 75,468</u>	<u>\$ 4,138</u>	<u>\$ 23,757</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 247	\$ 19,285	\$ 1,078	\$ -
Accrued expenses	-	6,203	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	49,522	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	<u>247</u>	<u>75,010</u>	<u>1,078</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	(242)	458	3,060	23,757
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>(242)</u>	<u>458</u>	<u>3,060</u>	<u>23,757</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5</u>	<u>\$ 75,468</u>	<u>\$ 4,138</u>	<u>\$ 23,757</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
\$ 2,158	\$ 472,824	\$ 253,394	\$ 17	\$ 3,785	\$ 10,444
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,158</u>	<u>472,824</u>	<u>253,394</u>	<u>17</u>	<u>3,785</u>	<u>10,444</u>
\$ -	\$ 96	\$ -	\$ 459	\$ -	\$ 231
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	96	-	459	-	231
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,158	472,728	253,394	(442)	3,785	10,213
-	-	-	-	-	-
<u>2,158</u>	<u>472,728</u>	<u>253,394</u>	<u>(442)</u>	<u>3,785</u>	<u>10,213</u>
\$ 2,158	\$ 472,824	\$ 253,394	\$ 17	\$ 3,785	\$ 10,444

STATE OF NEW MEXICO
Eddy County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue Funds			
	Healthier Services	Artesia Motor Vehicle	EMS - La Huerta	EMS - White's City
ASSETS				
Cash and cash equivalents	\$ -	\$ 40,017	\$ 254	\$ -
Receivables:				
Taxes	-	-	-	-
Intergovernmental	13,350	-	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 13,350</u>	<u>\$ 40,017</u>	<u>\$ 254</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 758	\$ 749	\$ -	\$ -
Accrued expenses	4,388	5,530	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>5,146</u>	<u>6,279</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	8,204	33,738	254	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>8,204</u>	<u>33,738</u>	<u>254</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 13,350</u>	<u>\$ 40,017</u>	<u>\$ 254</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
\$ 2	\$ 124,800	\$ -	\$ 257,808	\$ 79	\$ 2,700,000
-	-	-	-	-	-
-	-	28,744	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2</u>	<u>124,800</u>	<u>28,744</u>	<u>257,808</u>	<u>79</u>	<u>2,700,000</u>
\$ 765	\$ -	\$ 11,863	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	112,518	-	-	-
-	-	-	-	-	-
<u>765</u>	<u>-</u>	<u>124,381</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(763)	124,800	(95,637)	257,808	79	2,700,000
-	-	-	-	-	-
-	-	-	-	-	-
<u>(763)</u>	<u>124,800</u>	<u>(95,637)</u>	<u>257,808</u>	<u>79</u>	<u>2,700,000</u>
<u>\$ 2</u>	<u>\$ 124,800</u>	<u>\$ 28,744</u>	<u>\$ 257,808</u>	<u>\$ 79</u>	<u>\$ 2,700,000</u>

STATE OF NEW MEXICO
Eddy County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue Funds			
	Health Office Reserve	Protest Suspense Fund	COPS Grant	Alternate Sentencing
ASSETS				
Cash and cash equivalents	\$ 2,000,000	\$ 887,280	\$ 146,079	\$ 128,920
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
	<u>2,000,000</u>	<u>887,280</u>	<u>146,079</u>	<u>128,920</u>
<i>Total assets</i>	<u>\$ 2,000,000</u>	<u>\$ 887,280</u>	<u>\$ 146,079</u>	<u>\$ 128,920</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</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	2,000,000	887,280	146,079	128,920
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
	<u>2,000,000</u>	<u>887,280</u>	<u>146,079</u>	<u>128,920</u>
<i>Total fund balances</i>	<u>2,000,000</u>	<u>887,280</u>	<u>146,079</u>	<u>128,920</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,000,000</u>	<u>\$ 887,280</u>	<u>\$ 146,079</u>	<u>\$ 128,920</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
\$ 71,323	\$ 17,156	\$ 34,634	\$ 24,582	\$ 24,495	\$ 138,967
6,056	-	-	-	-	-
-	7,470	-	16,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>77,379</u>	<u>24,626</u>	<u>34,634</u>	<u>40,582</u>	<u>24,495</u>	<u>138,967</u>
\$ -	\$ 304	\$ 25	\$ 1,374	\$ -	\$ -
-	3,859	-	1,895	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>4,163</u>	<u>25</u>	<u>3,269</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
77,379	20,463	34,609	37,313	24,495	138,967
-	-	-	-	-	-
<u>77,379</u>	<u>20,463</u>	<u>34,609</u>	<u>37,313</u>	<u>24,495</u>	<u>138,967</u>
\$ <u>77,379</u>	\$ <u>24,626</u>	\$ <u>34,634</u>	\$ <u>40,582</u>	\$ <u>24,495</u>	\$ <u>138,967</u>

STATE OF NEW MEXICO
Eddy County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

Special Revenue Funds

ASSETS	<u>Sheriff's Special</u>	<u>Artesia Eagle Draw</u>	<u>Region VI Task Force</u>	<u>County Indigent</u>
Cash and cash equivalents	\$ 6,794	\$ 495,603	\$ 69,205	\$ 27,589
Receivables:				
Taxes	-	17,709	-	-
Intergovernmental	-	-	9,043	464,312
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
<i>Total assets</i>	<u>\$ 6,794</u>	<u>\$ 513,312</u>	<u>\$ 78,248</u>	<u>\$ 491,901</u>
 LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 46,219
Accrued expenses	-	-	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	15,650	-	-
<i>Total liabilities</i>	<u>-</u>	<u>15,650</u>	<u>-</u>	<u>46,219</u>
<i>Fund balances:</i>				
Reserved for:				
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Landfill closure	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund	-	-	-	-
Special revenue funds	6,794	497,662	78,248	445,682
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
<i>Total fund balances</i>	<u>6,794</u>	<u>497,662</u>	<u>78,248</u>	<u>445,682</u>
<i>Total liabilities and fund balances</i>	<u>\$ 6,794</u>	<u>\$ 513,312</u>	<u>\$ 78,248</u>	<u>\$ 491,901</u>

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

Special Revenue Funds		Capital Projects Funds			Debt Service Funds
Cottonwood	Otis	Jail Expansion Reserve	Legislative Appropriations	Communication Center	Construction Fund
\$ -	\$ -	\$ 4,000,000	\$ -	\$ 62,289	\$ 280,385
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>-</u>	<u>62,289</u>	<u>280,385</u>
\$ -	\$ -	\$ 4,000,000	\$ -	\$ 62,289	\$ 280,385
\$ 34,124	\$ 15,100	\$ -	\$ 64,442	\$ 1,505	\$ 13,906
-	-	-	-	2,580	-
-	-	-	-	-	-
-	-	-	161,177	-	-
-	-	-	-	-	-
<u>34,124</u>	<u>15,100</u>	<u>-</u>	<u>225,619</u>	<u>4,085</u>	<u>13,906</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(34,124)	(15,100)	-	-	-	-
-	-	4,000,000	(225,619)	58,204	-
-	-	-	-	-	266,479
<u>(34,124)</u>	<u>(15,100)</u>	<u>4,000,000</u>	<u>(225,619)</u>	<u>58,204</u>	<u>266,479</u>
\$ -	\$ -	\$ 4,000,000	\$ -	\$ 62,289	\$ 280,385

STATE OF NEW MEXICO
Eddy County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

ASSETS	Debt Service Funds			
	Fire Excise Tax- Gross Receipts	Capital Improvements	NMFA Intercept Fund	Courthouse Gross Receipts
Cash and cash equivalents	\$ 2,940,287	\$ 3,465,796	\$ -	\$ 1,000,000
Receivables:				
Taxes	382,812	139,232	-	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to fire districts	-	-	-	-
Interfund receivable	-	-	-	-
Restricted cash and cash equivalents	-	-	21,328	-
	<u>3,323,099</u>	<u>3,605,028</u>	<u>21,328</u>	<u>1,000,000</u>
<i>Total assets</i>	<u>\$ 3,323,099</u>	<u>\$ 3,605,028</u>	<u>\$ 21,328</u>	<u>\$ 1,000,000</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 156,814	\$ 1	\$ -	\$ -
Accrued expenses	-	-	-	-
Advances from general fund	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
	<u>156,814</u>	<u>1</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>156,814</u>	<u>1</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	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	3,166,285	3,605,027	21,328	1,000,000
	<u>3,166,285</u>	<u>3,605,027</u>	<u>21,328</u>	<u>1,000,000</u>
<i>Total fund balances</i>	<u>3,166,285</u>	<u>3,605,027</u>	<u>21,328</u>	<u>1,000,000</u>
<i>Total liabilities and fund balances</i>	<u>\$ 3,323,099</u>	<u>\$ 3,605,028</u>	<u>\$ 21,328</u>	<u>\$ 1,000,000</u>

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

Total
\$ 22,423,543
570,082
826,184
-
-
-
720,399
\$ 24,540,208

\$ 452,017
27,517
82,845
334,397
37,843
934,619
-
-
699,071
-
11,014,814
3,832,585
8,059,119
23,605,589
\$ 24,540,208

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, 2007

	Special Revenue Funds			
	Farm and Range	Recreation	Environmental Services	Atoka Fire District
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	1,315,131	-
Oil and gas taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	87	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
State operating grants	33,812	-	20,390	15
Charges for services	-	-	-	-
Licenses and fees	-	-	92,231	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>33,812</u>	<u>87</u>	<u>1,427,752</u>	<u>15</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	465,235	-
Public safety	-	-	-	117,828
Highways and roads	45,000	-	-	-
Health and sanitation	-	-	274,613	-
Culture and recreation	-	15,709	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>45,000</u>	<u>15,709</u>	<u>739,848</u>	<u>117,828</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,188)</u>	<u>(15,622)</u>	<u>687,904</u>	<u>(117,813)</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	15,000	105,600	-	-
<i>Total other financing sources (uses)</i>	<u>15,000</u>	<u>105,600</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	3,812	89,978	687,904	(117,813)
<i>Fund balance - beginning of year</i>	7,931	(223)	1,457,105	245,428
<i>Fund balance - restatement (Note 14)</i>	-	-	-	-
<i>Fund balance - beginning of year, restated</i>	<u>7,931</u>	<u>(223)</u>	<u>1,457,105</u>	<u>245,428</u>
<i>Fund balance - end of year</i>	<u>\$ 11,743</u>	<u>\$ 89,755</u>	<u>\$ 2,145,009</u>	<u>\$ 127,615</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
121	19,966	-	43,367	125	13,300
-	-	-	-	-	-
-	908	-	1,202	-	-
-	-	-	553	-	-
<u>121</u>	<u>20,874</u>	<u>-</u>	<u>45,122</u>	<u>125</u>	<u>13,300</u>
-	-	-	-	-	-
38,268	46,036	94,545	73,634	51,647	55,867
-	-	-	-	-	-
-	-	-	-	-	-
-	19,966	-	26,367	-	-
-	-	-	32,936	-	-
<u>38,268</u>	<u>66,002</u>	<u>94,545</u>	<u>132,937</u>	<u>51,647</u>	<u>55,867</u>
<u>(38,147)</u>	<u>(45,128)</u>	<u>(94,545)</u>	<u>(87,815)</u>	<u>(51,522)</u>	<u>(42,567)</u>
-	-	-	-	-	-
-	-	-	-	7,105	-
-	-	-	-	7,105	-
<u>(38,147)</u>	<u>(45,128)</u>	<u>(94,545)</u>	<u>(87,815)</u>	<u>(44,417)</u>	<u>(42,567)</u>
339,602	89,021	136,100	115,482	40,606	162,696
-	-	10,000	-	-	10,000
<u>339,602</u>	<u>89,021</u>	<u>146,100</u>	<u>115,482</u>	<u>40,606</u>	<u>172,696</u>
<u>\$ 301,455</u>	<u>\$ 43,893</u>	<u>\$ 51,555</u>	<u>\$ 27,667</u>	<u>\$ (3,811)</u>	<u>\$ 130,129</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, 2007

	Special Revenue Funds			
	White's City Fire District	Property Valuation	EMS - Atoka	EMS - Loco Hills
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ 177,907	\$ -	\$ -
Gross receipts	-	-	-	-
Oil and gas taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
State operating grants	-	-	6,631	10,906
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>177,907</u>	<u>6,631</u>	<u>10,906</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	89,082	-	-
Public safety	55,030	-	13,896	5,861
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>55,030</u>	<u>89,082</u>	<u>13,896</u>	<u>5,861</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(55,030)</u>	<u>88,825</u>	<u>(7,265)</u>	<u>5,045</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(55,030)	88,825	(7,265)	5,045
<i>Fund balance - beginning of year</i>	94,014	158,318	7,266	-
<i>Fund balance - restatement (Note 14)</i>	-	-	-	-
<i>Fund balance - beginning of year, restated</i>	<u>94,014</u>	<u>158,318</u>	<u>7,266</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ 38,984</u>	<u>\$ 247,143</u>	<u>\$ 1</u>	<u>\$ 5,045</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,100	5,000	-	17,255	-	3,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,100</u>	<u>5,000</u>	<u>-</u>	<u>17,255</u>	<u>-</u>	<u>3,000</u>
-	-	-	-	-	-
2,604	2,027	46,853	45,782	26,678	2,975
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,604</u>	<u>2,027</u>	<u>46,853</u>	<u>45,782</u>	<u>26,678</u>	<u>2,975</u>
<u>4,496</u>	<u>2,973</u>	<u>(46,853)</u>	<u>(28,527)</u>	<u>(26,678)</u>	<u>25</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,496</u>	<u>2,973</u>	<u>(46,853)</u>	<u>(28,527)</u>	<u>(26,678)</u>	<u>25</u>
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>\$ 4,498</u>	<u>\$ 5,400</u>	<u>\$ 115,437</u>	<u>\$ 68,963</u>	<u>\$ 31,314</u>	<u>\$ 71</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, 2007

	Special Revenue Funds			
	EMS - Sun Country	HIDTA Grant- Metro Agency	EMS - Riverside	EMS - Cottonwood
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Oil and gas taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	349,594	-	-
State operating grants	-	-	7,000	6,100
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>349,594</u>	<u>7,000</u>	<u>6,100</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	4,852	351,128	13,683	30
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>4,852</u>	<u>351,128</u>	<u>13,683</u>	<u>30</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,852)</u>	<u>(1,534)</u>	<u>(6,683)</u>	<u>6,070</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	4,610	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,610</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(242)	(1,534)	(6,683)	6,070
<i>Fund balance - beginning of year</i>	-	1,992	9,743	17,687
<i>Fund balance - restatement (Note 14)</i>	-	-	-	-
<i>Fund balance - beginning of year, restated</i>	-	1,992	9,743	17,687
<i>Fund balance - end of year</i>	<u>\$ (242)</u>	<u>\$ 458</u>	<u>\$ 3,060</u>	<u>\$ 23,757</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,000	-	-	7,344	-	825
-	7,961	-	-	7,145	-
-	-	-	-	-	-
-	-	61,656	-	-	-
<u>7,000</u>	<u>7,961</u>	<u>61,656</u>	<u>7,344</u>	<u>7,145</u>	<u>825</u>
-	217,746	18,777	-	6,718	-
4,925	-	-	6,236	-	32,549
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,925</u>	<u>217,746</u>	<u>18,777</u>	<u>6,236</u>	<u>6,718</u>	<u>32,549</u>
<u>2,075</u>	<u>(209,785)</u>	<u>42,879</u>	<u>1,108</u>	<u>427</u>	<u>(31,724)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,075	(209,785)	42,879	1,108	427	(31,724)
83	682,513	210,515	(1,550)	3,358	41,937
-	-	-	-	-	-
<u>83</u>	<u>682,513</u>	<u>210,515</u>	<u>(1,550)</u>	<u>3,358</u>	<u>41,937</u>
\$ <u>2,158</u>	\$ <u>472,728</u>	\$ <u>253,394</u>	\$ <u>(442)</u>	\$ <u>3,785</u>	\$ <u>10,213</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, 2007

	Special Revenue Funds			
	Healthier Services	Artesia Motor Vehicle	EMS - La Huerta	EMS - White's City
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Oil and gas taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	66,291	-	5,000	8,029
Charges for services	-	-	-	-
Licenses and fees	-	120,894	-	-
Investment income	-	-	-	-
Miscellaneous	-	2,280	-	-
<i>Total revenues</i>	<u>66,291</u>	<u>123,174</u>	<u>5,000</u>	<u>8,029</u>
<i>Expenditures:</i>				
Current:				
General government	-	160,460	-	-
Public safety	-	-	5,388	9,072
Highways and roads	-	-	-	-
Health and sanitation	127,244	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>127,244</u>	<u>160,460</u>	<u>5,388</u>	<u>9,072</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(60,953)</u>	<u>(37,286)</u>	<u>(388)</u>	<u>(1,043)</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	1,043	17,945	-	2,774
<i>Total other financing sources (uses)</i>	<u>1,043</u>	<u>17,945</u>	<u>-</u>	<u>2,774</u>
<i>Net changes in fund balances</i>	(59,910)	(19,341)	(388)	1,731
<i>Fund balance - beginning of year</i>	68,114	53,079	642	(1,731)
<i>Fund balance - restatement (Note 14)</i>	-	-	-	-
<i>Fund balance - beginning of year, restated</i>	<u>68,114</u>	<u>53,079</u>	<u>642</u>	<u>(1,731)</u>
<i>Fund balance - end of year</i>	<u>\$ 8,204</u>	<u>\$ 33,738</u>	<u>\$ 254</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	248,862	-	-	-
43,400	172,436	-	85,581	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	61	-	-
<u>43,400</u>	<u>172,436</u>	<u>248,862</u>	<u>85,642</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
43,220	116,204	-	8,874	-	-
-	-	-	-	-	-
-	-	432,180	-	-	-
-	-	-	-	-	-
1,088	-	-	-	-	-
<u>44,308</u>	<u>116,204</u>	<u>432,180</u>	<u>8,874</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
(908)	56,232	(183,318)	76,768	-	-
-	-	-	-	-	-
<u>145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
145	-	-	-	-	-
(763)	56,232	(183,318)	76,768	-	-
-	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>(763)</u>	\$ <u>124,800</u>	\$ <u>(95,637)</u>	\$ <u>257,808</u>	\$ <u>79</u>	\$ <u>2,700,000</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, 2007

	Special Revenue Funds			
	Health Office Reserve	Protest Suspense Fund	COPS Grant	Alternate Sentencing
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ 1,041,475	\$ -	\$ -
Gross receipts	-	-	-	-
Oil and gas taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	16,888
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	1,041,475	-	16,888
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	1,883
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	1,883
<i>Excess (deficiency) of revenues over expenditures</i>	-	1,041,475	-	15,005
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	(154,195)	-	-
Total other financing sources (uses)	-	(154,195)	-	-
Net changes in fund balances	-	887,280	-	15,005
<i>Fund balance - beginning of year</i>	2,000,000	-	146,079	113,915
<i>Fund balance - restatement (Note 14)</i>	-	-	-	-
Fund balance - beginning of year, restated	2,000,000	-	146,079	113,915
Fund balance - end of year	\$ 2,000,000	\$ 887,280	\$ 146,079	\$ 128,920

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
67,948	-	-	-	-	-
-	337,264	23,556	-	-	-
-	-	-	63,670	-	55,283
-	-	24,150	-	-	-
-	17,245	-	-	-	-
-	-	-	-	-	-
-	275	-	-	-	18,908
<u>67,948</u>	<u>354,784</u>	<u>47,706</u>	<u>63,670</u>	<u>-</u>	<u>74,191</u>
-	-	-	68,930	-	-
-	321,282	31,158	-	2,472	55,301
-	-	-	-	-	-
80,000	-	-	-	-	-
-	-	-	-	-	-
-	40,926	-	-	-	-
<u>80,000</u>	<u>362,208</u>	<u>31,158</u>	<u>68,930</u>	<u>2,472</u>	<u>55,301</u>
<u>(12,052)</u>	<u>(7,424)</u>	<u>16,548</u>	<u>(5,260)</u>	<u>(2,472)</u>	<u>18,890</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(12,052)	(7,424)	16,548	(5,260)	(2,472)	18,890
89,431	27,887	18,061	42,573	26,967	120,077
-	-	-	-	-	-
<u>89,431</u>	<u>27,887</u>	<u>18,061</u>	<u>42,573</u>	<u>26,967</u>	<u>120,077</u>
<u>\$ 77,379</u>	<u>\$ 20,463</u>	<u>\$ 34,609</u>	<u>\$ 37,313</u>	<u>\$ 24,495</u>	<u>\$ 138,967</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, 2007

	<u>Special Revenue Funds</u>			
	<u>Sheriff's Special</u>	<u>Artesia Eagle Draw</u>	<u>Region VI Task Force</u>	<u>County Indigent</u>
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ 183,888	\$ -	\$ -
Gross receipts	-	-	-	2,618,991
Oil and gas taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	138,005	-
State operating grants	-	-	-	22,840
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	1,769
<i>Total revenues</i>	<u>-</u>	<u>183,888</u>	<u>138,005</u>	<u>2,643,600</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	1,752	23,759	124,028	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	2,805,822
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>1,752</u>	<u>23,759</u>	<u>124,028</u>	<u>2,805,822</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,752)</u>	<u>160,129</u>	<u>13,977</u>	<u>(162,222)</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	(1,043)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,043)</u>
<i>Net changes in fund balances</i>	(1,752)	160,129	13,977	(163,265)
<i>Fund balance - beginning of year</i>	8,546	337,533	64,271	608,947
<i>Fund balance - restatement (Note 14)</i>	-	-	-	-
<i>Fund balance - beginning of year, restated</i>	<u>8,546</u>	<u>337,533</u>	<u>64,271</u>	<u>608,947</u>
<i>Fund balance - end of year</i>	<u>\$ 6,794</u>	<u>\$ 497,662</u>	<u>\$ 78,248</u>	<u>\$ 445,682</u>

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

Special Revenue Funds		Capital Projects Funds			Debt Service Funds
Cottonwood	Otis	Jail Expansion Reserve	Legislative Appropriations	Communication Center	Construction Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,032,639	-	-
-	-	-	-	190	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,032,639</u>	<u>190</u>	<u>-</u>
34,124	15,100	-	885,182	-	-
-	-	-	-	41,986	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	229,056
<u>34,124</u>	<u>15,100</u>	<u>-</u>	<u>885,182</u>	<u>41,986</u>	<u>229,056</u>
<u>(34,124)</u>	<u>(15,100)</u>	<u>-</u>	<u>147,457</u>	<u>(41,796)</u>	<u>(229,056)</u>
-	-	-	-	-	-
-	-	-	-	100,000	-
-	-	-	-	100,000	-
<u>(34,124)</u>	<u>(15,100)</u>	<u>-</u>	<u>147,457</u>	<u>58,204</u>	<u>(229,056)</u>
-	-	4,000,000	(373,076)	-	495,535
-	-	-	-	-	-
-	-	<u>4,000,000</u>	<u>(373,076)</u>	<u>-</u>	<u>495,535</u>
<u>\$ (34,124)</u>	<u>\$ (15,100)</u>	<u>\$ 4,000,000</u>	<u>\$ (225,619)</u>	<u>\$ 58,204</u>	<u>\$ 266,479</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, 2007

	<u>Debt Service Funds</u>			
	<u>Fire Excise Tax- Gross Receipts</u>	<u>Capital Improvements</u>	<u>NMFA Intercept Fund</u>	<u>Courthouse Gross Receipts</u>
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,429,315	974,625	-	40,000
Oil and gas taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	742	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,429,315</u>	<u>974,625</u>	<u>742</u>	<u>40,000</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	919,793	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	1,107,532	762,972	-	-
<i>Total expenditures</i>	<u>2,027,325</u>	<u>762,972</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>401,990</u>	<u>211,653</u>	<u>742</u>	<u>40,000</u>
<i>Other financing sources (uses):</i>				
Sale of capital assets	-	66,987	-	-
Operating transfers in (out)	(14,489)	-	-	(40,000)
<i>Total other financing sources (uses)</i>	<u>(14,489)</u>	<u>66,987</u>	<u>-</u>	<u>(40,000)</u>
<i>Net changes in fund balances</i>	387,501	278,640	742	-
<i>Fund balance - beginning of year</i>	2,778,784	3,326,387	20,586	1,000,000
<i>Fund balance - restatement (Note 14)</i>	-	-	-	-
<i>Fund balance - beginning of year, restated</i>	<u>2,778,784</u>	<u>3,326,387</u>	<u>20,586</u>	<u>1,000,000</u>
<i>Fund balance - end of year</i>	<u>\$ 3,166,285</u>	<u>\$ 3,605,027</u>	<u>\$ 21,328</u>	<u>\$ 1,000,000</u>

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

	<u>Total</u>
\$	1,403,270
	7,378,062
	-
	-
	68,035
	2,146,808
	646,396
	124,837
	230,370
	2,852
	85,502
	<u>12,086,132</u>
	1,961,354
	2,797,223
	45,000
	3,209,562
	527,889
	46,333
	2,174,510
	<u>10,761,871</u>
	<u>1,324,261</u>
	66,987
	<u>44,495</u>
	<u>111,482</u>
	1,435,743
	22,149,846
	<u>20,000</u>
	<u>22,169,846</u>
\$	<u>23,605,589</u>

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SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
Eddy County
Farm and Range
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

Statement A-3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	30,000	30,000	33,812	3,812
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>33,812</u>	<u>3,812</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>(15,000)</u>	<u>(15,000)</u>	<u>(11,188)</u>	<u>3,812</u>
<i>Other financing sources (uses):</i>				
Designated cash	15,000	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	15,000	15,000	-
<i>Total other financing sources (uses)</i>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	3,812	3,812
<i>Fund balance - beginning of year</i>	-	-	7,931	7,931
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ <u>11,743</u>	\$ <u>11,743</u>

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

STATE OF NEW MEXICO

Statement A-4

Eddy County

Recreation

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	100	100	87	(13)
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>100</u>	<u>100</u>	<u>87</u>	<u>(13)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	105,700	105,700	15,077	90,623
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>105,700</u>	<u>105,700</u>	<u>15,077</u>	<u>90,623</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(105,600)</u>	<u>(105,600)</u>	<u>(14,990)</u>	<u>90,610</u>
<i>Other financing sources (uses):</i>				
Designated cash	105,600	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	105,600	105,600	-
<i>Total other financing sources (uses)</i>	<u>105,600</u>	<u>105,600</u>	<u>105,600</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	90,610	90,610
<i>Fund balance - beginning of year</i>	-	-	82	82
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 90,692	\$ 90,692

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, 2007

Statement A-5

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	900,000	1,353,846	453,846
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	100,000	100,000	92,231	(7,769)
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>100,000</u>	<u>1,000,000</u>	<u>1,446,077</u>	<u>446,077</u>
<i>Expenditures:</i>				
Current:				
General government	562,042	562,042	457,521	104,521
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	287,038	292,838	253,359	39,479
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>849,080</u>	<u>854,880</u>	<u>710,880</u>	<u>144,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(749,080)</u>	<u>145,120</u>	<u>735,197</u>	<u>590,077</u>
<i>Other financing sources (uses):</i>				
Designated cash	749,080	(145,120)	-	145,120
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>749,080</u>	<u>(145,120)</u>	<u>-</u>	<u>145,120</u>
<i>Net change in fund balance</i>	-	-	735,197	735,197
<i>Fund balance - beginning of year</i>	-	-	1,245,122	1,245,122
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 1,980,319	\$ 1,980,319

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

STATE OF NEW MEXICO

Statement A-6

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	117,168	-	15	15
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>117,168</u>	<u>-</u>	<u>15</u>	<u>15</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	247,950	247,950	118,482	129,468
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>247,950</u>	<u>247,950</u>	<u>118,482</u>	<u>129,468</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(130,782)</u>	<u>(247,950)</u>	<u>(118,467)</u>	<u>129,483</u>
<i>Other financing sources (uses):</i>				
Designated cash	130,782	247,950	-	(247,950)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>130,782</u>	<u>247,950</u>	<u>-</u>	<u>(247,950)</u>
<i>Net change in fund balance</i>	-	-	(118,467)	(118,467)
<i>Fund balance - beginning of year</i>	-	-	247,950	247,950
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 129,483	\$ 129,483

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, 2007

Statement A-7

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	117,168	-	121	121
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>117,168</u>	<u>-</u>	<u>121</u>	<u>121</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	341,848	341,648	40,359	301,289
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>341,848</u>	<u>341,648</u>	<u>40,359</u>	<u>301,289</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(224,680)</u>	<u>(341,648)</u>	<u>(40,238)</u>	<u>301,410</u>
<i>Other financing sources (uses):</i>				
Designated cash	224,680	341,648	-	(341,648)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>224,680</u>	<u>341,648</u>	<u>-</u>	<u>(341,648)</u>
<i>Net change in fund balance</i>	-	-	(40,238)	(40,238)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>341,848</u>	<u>341,848</u>
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>301,610</u>	\$ <u>301,610</u>

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

STATE OF NEW MEXICO

Statement A-8

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	79,139	-	19,966	19,966
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	908	908
Miscellaneous	-	-	-	-
Total revenues	79,139	-	20,874	20,874
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	90,064	90,064	41,429	48,635
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	19,966	(19,966)
Capital outlay	-	-	-	-
Total expenditures	90,064	90,064	61,395	28,669
Excess (deficiency) of revenues over expenditures	(10,925)	(90,064)	(40,521)	49,543
Other financing sources (uses):				
Designated cash	10,925	90,064	-	(90,064)
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	10,925	90,064	-	(90,064)
Net change in fund balance	-	-	(40,521)	(40,521)
Fund balance - beginning of year:				
Designated for subsequent year expenditures	-	-	90,893	-
Undesignated	-	-	(1,180)	(1,180)
Fund balance - end of year	\$ -	\$ -	\$ 49,192	\$ (41,701)

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

STATE OF NEW MEXICO
 Eddy County
 Joel Fire District
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2007

Statement A-9

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
State operating grants	137,723	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	137,723	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	209,835	209,835	91,872	117,963
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	209,835	209,835	91,872	117,963
Excess (deficiency) of revenues over expenditures	(72,112)	(209,835)	(91,872)	117,963
Other financing sources (uses):				
Designated cash	72,112	209,835	-	(209,835)
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	72,112	209,835	-	(209,835)
Net change in fund balance	-	-	(91,872)	(91,872)
Fund balance - beginning of year as restated				
Designated for subsequent year expenditures	-	-	209,835	209,835
Undesignated	-	-	(57,276)	(57,276)
Fund balance - end of year	\$ -	\$ -	\$ 60,687	\$ 60,687

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

STATE OF NEW MEXICO

Statement A-10

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	553	553
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	123,334	17,000	17,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>123,334</u>	<u>17,000</u>	<u>17,553</u>	<u>553</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	88,000	88,000	72,654	15,346
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	46,757	46,757	32,936	13,821
<i>Total expenditures</i>	<u>134,757</u>	<u>134,757</u>	<u>105,590</u>	<u>29,167</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,423)</u>	<u>(117,757)</u>	<u>(88,037)</u>	<u>29,720</u>
<i>Other financing sources (uses):</i>				
Designated cash	11,423	117,757	-	(117,757)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>11,423</u>	<u>117,757</u>	<u>-</u>	<u>(117,757)</u>
<i>Net change in fund balance</i>	-	-	(88,037)	(88,037)
<i>Fund balance - beginning of year</i>	-	-	117,757	117,757
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>29,720</u>	\$ <u>29,720</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, 2007

Statement A-11

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	39,058	7,105	125	(6,980)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>39,058</u>	<u>7,105</u>	<u>125</u>	<u>(6,980)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	44,116	51,221	51,221	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>44,116</u>	<u>51,221</u>	<u>51,221</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,058)</u>	<u>(44,116)</u>	<u>(51,096)</u>	<u>(6,980)</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,058	44,116	-	(44,116)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	7,105	7,105
<i>Total other financing sources (uses)</i>	<u>5,058</u>	<u>44,116</u>	<u>7,105</u>	<u>(37,011)</u>
<i>Net change in fund balance</i>	-	-	(43,991)	(43,991)
<i>Fund balance - beginning of year</i>	-	-	44,116	44,116
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>125</u>	\$ <u>125</u>

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
State operating grants	111,002	-	13,300	13,300
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	111,002	-	13,300	13,300
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	231,117	231,117	55,866	175,251
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	231,117	231,117	55,866	175,251
Excess (deficiency) of revenues over expenditures	(120,115)	(231,117)	(42,566)	188,551
Other financing sources (uses):				
Designated cash	120,115	231,117	-	(231,117)
Undesignated cash	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	120,115	231,117	-	(231,117)
Net change in fund balance	-	-	(42,566)	(42,566)
Fund balance - beginning of year as restated				
Designated for subsequent year expenditures	-	-	231,117	231,117
Undesignated	-	-	(55,569)	(55,569)
Fund balance - end of year	\$ -	\$ -	\$ 132,982	\$ 132,982

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, 2007

Statement A-13

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	96,908	96,908	55,278	41,630
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>96,908</u>	<u>96,908</u>	<u>55,278</u>	<u>41,630</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(96,908)</u>	<u>(96,908)</u>	<u>(55,278)</u>	<u>41,630</u>
<i>Other financing sources (uses):</i>				
Designated cash	96,908	96,908	-	(96,908)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>96,908</u>	<u>96,908</u>	<u>-</u>	<u>(96,908)</u>
<i>Net change in fund balance</i>	-	-	(55,278)	(55,278)
<i>Fund balance - beginning of year</i>	-	-	96,908	96,908
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,630</u>	<u>\$ 41,630</u>

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

STATE OF NEW MEXICO

Statement A-14

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 140,000	\$ 140,000	\$ 177,355	\$ 37,355
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	140,000	140,000	177,355	37,355
Expenditures:				
Current:				
General government	144,070	147,396	91,046	56,350
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	144,070	147,396	91,046	56,350
Excess (deficiency) of revenues over expenditures	(4,070)	(7,396)	86,309	93,705
Other financing sources (uses):				
Designated cash	4,070	7,396	-	(7,396)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	4,070	7,396	-	(7,396)
Net change in fund balance	-	-	86,309	86,309
Fund balance - beginning of year	-	-	160,694	160,694
Fund balance - end of year	\$ -	\$ -	\$ 247,003	\$ 247,003

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	5,000	6,631	6,631	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,000	6,631	6,631	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	12,795	13,896	13,896	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	12,795	13,896	13,896	-
Excess (deficiency) of revenues over expenditures	(7,795)	(7,265)	(7,265)	-
Other financing sources (uses):				
Designated cash	7,795	7,265	-	(7,265)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	7,795	7,265	-	(7,265)
Net change in fund balance	-	-	(7,265)	(7,265)
Fund balance - beginning of year	-	-	7,266	7,266
Fund balance - end of year	\$ -	\$ -	\$ 1	\$ 1

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	5,000	5,906	10,906	5,000
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,000	5,906	10,906	5,000
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	5,450	5,906	5,861	45
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	5,450	5,906	5,861	45
Excess (deficiency) of revenues over expenditures	(450)	-	5,045	5,045
Other financing sources (uses):				
Designated cash	450	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	450	-	-	-
Net change in fund balance	-	-	5,045	5,045
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 5,045	\$ 5,045

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	7,000	7,100	7,100	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	7,000	7,100	7,100	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	7,102	7,102	2,604	4,498
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	7,102	7,102	2,604	4,498
Excess (deficiency) of revenues over expenditures	(102)	(2)	4,496	4,498
Other financing sources (uses):				
Designated cash	102	2	-	(2)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	102	2	-	(2)
Net change in fund balance	-	-	4,496	4,496
Fund balance - beginning of year	-	-	2	2
Fund balance - end of year	\$ -	\$ -	\$ 4,498	\$ 4,498

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	7,000	5,000	5,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	7,000	5,000	5,000	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	7,427	7,427	661	6,766
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	7,427	7,427	661	6,766
Excess (deficiency) of revenues over expenditures	(427)	(2,427)	4,339	6,766
Other financing sources (uses):				
Designated cash	427	2,427	-	(2,427)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	427	2,427	-	(2,427)
Net change in fund balance	-	-	4,339	4,339
Fund balance - beginning of year	-	-	2,427	2,427
Fund balance - end of year	\$ -	\$ -	\$ 6,766	\$ 6,766

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, 2007

Statement A-19

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	117,168	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>117,168</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	164,644	164,644	48,158	116,486
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>164,644</u>	<u>164,644</u>	<u>48,158</u>	<u>116,486</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(47,476)</u>	<u>(164,644)</u>	<u>(48,158)</u>	<u>116,486</u>
<i>Other financing sources (uses):</i>				
Designated cash	47,476	164,644	-	(164,644)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>47,476</u>	<u>164,644</u>	<u>-</u>	<u>(164,644)</u>
<i>Net change in fund balance</i>	-	-	(48,158)	(48,158)
<i>Fund balance - beginning of year</i>	-	-	164,644	164,644
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,486</u>	<u>\$ 116,486</u>

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

STATE OF NEW MEXICO
 Eddy County
 Queen Fire District
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2007

Statement A-20

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	39,058	-	17,255	17,255
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
	<i>Total revenues</i>	-	17,255	17,255
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	98,505	98,505	44,472	54,033
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
	<i>Total expenditures</i>	98,505	44,472	54,033
<i>Excess (deficiency) of revenues over expenditures</i>	(59,447)	(98,505)	(27,217)	71,288
<i>Other financing sources (uses):</i>				
Designated cash	59,447	98,505	-	(98,505)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
	<i>Total other financing sources (uses)</i>	98,505	-	(98,505)
<i>Net change in fund balance</i>	-	-	(27,217)	(27,217)
<i>Fund balance - beginning of year</i>	-	-	98,505	98,505
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 71,288	\$ 71,288

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

STATE OF NEW MEXICO

Statement A-21

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	39,058	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>39,058</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	58,905	58,905	26,826	32,079
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>58,905</u>	<u>58,905</u>	<u>26,826</u>	<u>32,079</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(19,847)</u>	<u>(58,905)</u>	<u>(26,826)</u>	<u>32,079</u>
<i>Other financing sources (uses):</i>				
Designated cash	19,847	58,905	-	(58,905)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>19,847</u>	<u>58,905</u>	<u>-</u>	<u>(58,905)</u>
<i>Net change in fund balance</i>	-	-	(26,826)	(26,826)
<i>Fund balance - beginning of year</i>	-	-	58,905	58,905
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>32,079</u>	\$ <u>32,079</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	3,000	3,106	3,000	(106)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,000</u>	<u>3,106</u>	<u>3,000</u>	<u>(106)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,152	3,046	2,975	71
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,152</u>	<u>3,046</u>	<u>2,975</u>	<u>71</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(152)</u>	<u>60</u>	<u>25</u>	<u>(35)</u>
<i>Other financing sources (uses):</i>				
Designated cash	152	(60)	-	60
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>152</u>	<u>(60)</u>	<u>-</u>	<u>60</u>
<i>Net change in fund balance</i>	-	-	25	25
<i>Fund balance - beginning of year</i>	-	-	46	46
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 71	\$ 71

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

STATE OF NEW MEXICO
 Eddy County
 EMS - Sun Country
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2007

Statement A-23

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	5,000	5,106	-	(5,106)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>5,106</u>	<u>-</u>	<u>(5,106)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	5,106	5,000	4,605	395
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>5,106</u>	<u>5,000</u>	<u>4,605</u>	<u>395</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(106)</u>	<u>106</u>	<u>(4,605)</u>	<u>(4,711)</u>
<i>Other financing sources (uses):</i>				
Designated cash	106	(106)	-	106
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	4,610	4,610
<i>Total other financing sources (uses)</i>	<u>106</u>	<u>(106)</u>	<u>4,610</u>	<u>4,716</u>
<i>Net change in fund balance</i>	-	-	5	5
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</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, 2007

Statement A-24

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	331,625	274,126	(57,499)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	331,625	274,126	(57,499)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	312,049	340,683	339,376	1,307
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	312,049	340,683	339,376	1,307
<i>Excess (deficiency) of revenues over expenditures</i>	(312,049)	(9,058)	(65,250)	(56,192)
<i>Other financing sources (uses):</i>				
Designated cash	312,049	9,058	-	(9,058)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	312,049	9,058	-	(9,058)
<i>Net change in fund balance</i>	-	-	(65,250)	(65,250)
<i>Fund balance - beginning of year</i>	-	-	15,728	15,728
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ (49,522)	\$ (49,522)

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

STATE OF NEW MEXICO
Eddy County
EMS - Riverside
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

Statement A-25

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	5,000	7,026	7,000	(26)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>7,026</u>	<u>7,000</u>	<u>(26)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	16,768	16,742	12,604	4,138
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>16,768</u>	<u>16,742</u>	<u>12,604</u>	<u>4,138</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,768)</u>	<u>(9,716)</u>	<u>(5,604)</u>	<u>4,112</u>
<i>Other financing sources (uses):</i>				
Designated cash	11,768	9,716	-	(9,716)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>11,768</u>	<u>9,716</u>	<u>-</u>	<u>(9,716)</u>
<i>Net change in fund balance</i>	-	-	(5,604)	(5,604)
<i>Fund balance - beginning of year</i>	-	-	9,742	9,742
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 4,138	\$ 4,138

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	7,000	7,000	6,100	(900)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	7,000	7,000	6,100	(900)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	24,687	23,787	30	23,757
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	24,687	23,787	30	23,757
Excess (deficiency) of revenues over expenditures	(17,687)	(16,787)	6,070	22,857
Other financing sources (uses):				
Designated cash	17,687	16,787	-	(16,787)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	17,687	16,787	-	(16,787)
Net change in fund balance	-	-	6,070	6,070
Fund balance - beginning of year	-	-	17,687	17,687
Fund balance - end of year	\$ -	\$ -	\$ 23,757	\$ 23,757

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

STATE OF NEW MEXICO

Statement A-27

Eddy County

EMS - Otis

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	7,000	7,000	7,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	8,518	8,618	6,460	2,158
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>8,518</u>	<u>8,618</u>	<u>6,460</u>	<u>2,158</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,518)</u>	<u>(1,618)</u>	<u>540</u>	<u>2,158</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,518	1,618	-	(1,618)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,518</u>	<u>1,618</u>	<u>-</u>	<u>(1,618)</u>
<i>Net change in fund balance</i>	-	-	540	540
<i>Fund balance - beginning of year</i>	-	-	1,618	1,618
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,158</u>	\$ <u>2,158</u>

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	10,000	10,000	44,961	34,961
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	10,000	10,000	44,961	34,961
Expenditures:				
Current:				
General government	600,000	597,491	217,650	379,841
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	600,000	597,491	217,650	379,841
Excess (deficiency) of revenues over expenditures	(590,000)	(587,491)	(172,689)	414,802
Other financing sources (uses):				
Designated cash	590,000	587,491	-	(587,491)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	590,000	587,491	-	(587,491)
Net change in fund balance	-	-	(172,689)	(172,689)
Fund balance - beginning of year	-	-	645,513	645,513
Fund balance - end of year	\$ -	\$ -	\$ 472,824	\$ 472,824

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, 2007

Statement A-29

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	50,000	50,000	61,656	11,656
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>61,656</u>	<u>11,656</u>
<i>Expenditures:</i>				
Current:				
General government	83,560	83,560	18,819	64,741
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>83,560</u>	<u>83,560</u>	<u>18,819</u>	<u>64,741</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(33,560)</u>	<u>(33,560)</u>	<u>42,837</u>	<u>76,397</u>
<i>Other financing sources (uses):</i>				
Designated cash	33,560	33,560	-	(33,560)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>33,560</u>	<u>33,560</u>	<u>-</u>	<u>(33,560)</u>
<i>Net change in fund balance</i>	-	-	42,837	42,837
<i>Fund balance - beginning of year</i>	-	-	210,557	210,557
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 253,394	\$ 253,394

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

STATE OF NEW MEXICO

Statement A-30

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	3,000	7,397	7,343	(54)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,000</u>	<u>7,397</u>	<u>7,343</u>	<u>(54)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	7,415	7,361	7,344	17
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>7,415</u>	<u>7,361</u>	<u>7,344</u>	<u>17</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,415)</u>	<u>36</u>	<u>(1)</u>	<u>(37)</u>
<i>Other financing sources (uses):</i>				
Designated cash	4,415	(36)	-	36
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,415</u>	<u>(36)</u>	<u>-</u>	<u>36</u>
<i>Net change in fund balance</i>	-	-	(1)	(1)
<i>Fund balance - beginning of year</i>	-	-	18	18
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 17	\$ 17

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, 2007

Statement A-31

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	10,000	10,000	7,145	(2,855)
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>7,145</u>	<u>(2,855)</u>
<i>Expenditures:</i>				
Current:				
General government	2,000	7,785	6,718	1,067
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>2,000</u>	<u>7,785</u>	<u>6,718</u>	<u>1,067</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>8,000</u>	<u>2,215</u>	<u>427</u>	<u>(1,788)</u>
<i>Other financing sources (uses):</i>				
Designated cash	(8,000)	(2,215)	-	2,215
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(8,000)</u>	<u>(2,215)</u>	<u>-</u>	<u>2,215</u>
<i>Net change in fund balance</i>	-	-	427	427
<i>Fund balance - beginning of year</i>	-	-	3,358	3,358
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 3,785	\$ 3,785

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

STATE OF NEW MEXICO

Statement A-32

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	39,058	-	825	825
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	39,058	-	825	825
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	44,074	44,074	34,455	9,619
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	44,074	44,074	34,455	9,619
Excess (deficiency) of revenues over expenditures	(5,016)	(44,074)	(33,630)	10,444
Other financing sources (uses):				
Designated cash	5,016	44,074	-	(44,074)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	5,016	44,074	-	(44,074)
Net change in fund balance	-	-	(33,630)	(33,630)
Fund balance - beginning of year	-	-	44,074	44,074
Fund balance - end of year	\$ -	\$ -	\$ 10,444	\$ 10,444

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

STATE OF NEW MEXICO
Eddy County
Healthier Services
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

Statement A-33

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	52,941	52,941
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	52,941	52,941
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	126,037	130,197	125,514	4,683
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	126,037	130,197	125,514	4,683
Excess (deficiency) of revenues over expenditures	(126,037)	(130,197)	(72,573)	57,624
Other financing sources (uses):				
Designated cash	126,037	(13,803)	-	13,803
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	144,000	1,043	(142,957)
Total other financing sources (uses)	126,037	130,197	1,043	(129,154)
Net change in fund balance	-	-	(71,530)	(71,530)
Fund balance - beginning of year	-	-	71,530	71,530
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO

Statement A-34

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	120,000	120,000	141,702	21,702
Investment income	-	-	-	-
Miscellaneous	1,000	1,000	2,280	1,280
<i>Total revenues</i>	<u>121,000</u>	<u>121,000</u>	<u>143,982</u>	<u>22,982</u>
<i>Expenditures:</i>				
Current:				
General government	164,987	171,897	159,959	11,938
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>164,987</u>	<u>171,897</u>	<u>159,959</u>	<u>11,938</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(43,987)</u>	<u>(50,897)</u>	<u>(15,977)</u>	<u>34,920</u>
<i>Other financing sources (uses):</i>				
Designated cash	43,987	32,952	-	(32,952)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	17,945	17,945	-
<i>Total other financing sources (uses)</i>	<u>43,987</u>	<u>50,897</u>	<u>17,945</u>	<u>(32,952)</u>
<i>Net change in fund balance</i>	-	-	1,968	1,968
<i>Fund balance - beginning of year</i>	-	-	38,049	38,049
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 40,017	\$ 40,017

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	5,000	5,503	5,000	(503)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,000	5,503	5,000	(503)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	6,145	5,642	5,388	254
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	6,145	5,642	5,388	254
Excess (deficiency) of revenues over expenditures	(1,145)	(139)	(388)	(249)
Other financing sources (uses):				
Designated cash	1,145	139	-	(139)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	1,145	139	-	(139)
Net change in fund balance	-	-	(388)	(388)
Fund balance - beginning of year	-	-	642	642
Fund balance - end of year	\$ -	\$ -	\$ 254	\$ 254

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	7,000	10,803	8,029	(2,774)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	7,000	10,803	8,029	(2,774)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	8,510	10,803	10,803	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	8,510	10,803	10,803	-
Excess (deficiency) of revenues over expenditures	(1,510)	-	(2,774)	(2,774)
Other financing sources (uses):				
Designated cash	1,510	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	2,774	2,774
Total other financing sources (uses)	1,510	-	2,774	2,774
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

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, 2007

Statement A-37

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	45,800	45,800	43,400	(2,400)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	45,800	45,800	43,400	(2,400)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	28,800	28,800	42,455	(13,655)
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	17,000	17,000	1,088	15,912
<i>Total expenditures</i>	45,800	45,800	43,543	2,257
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(143)	(143)
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	145	145
<i>Total other financing sources (uses)</i>	-	-	145	145
<i>Net change in fund balance</i>	-	-	2	2
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 2	\$ 2

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	140,000	140,000	172,436	32,436
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	140,000	140,000	172,436	32,436
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	140,000	140,000	140,000	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	140,000	140,000	140,000	-
Excess (deficiency) of revenues over expenditures	-	-	32,436	32,436
Other financing sources (uses):				
Designated cash	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	32,436	32,436
Fund balance - beginning of year	-	-	92,364	92,364
Fund balance - end of year	\$ -	\$ -	\$ 124,800	\$ 124,800

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	550,000	589,800	500,269	(89,531)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>550,000</u>	<u>589,800</u>	<u>500,269</u>	<u>(89,531)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	550,000	586,409	572,987	13,422
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>550,000</u>	<u>586,409</u>	<u>572,987</u>	<u>13,422</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>3,391</u>	<u>(72,718)</u>	<u>(76,109)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(3,391)	-	3,391
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(3,391)</u>	<u>-</u>	<u>3,391</u>
<i>Net change in fund balance</i>	-	-	(72,718)	(72,718)
<i>Fund balance - beginning of year</i>	-	-	(39,800)	(39,800)
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(112,518)</u>	\$ <u>(112,518)</u>

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

STATE OF NEW MEXICO

Statement A-40

Eddy County

Detention Fees

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	71,000	21,000	91,012	70,012
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	50	50	61	11
Total revenues	71,050	21,050	91,073	70,023
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	62,500	62,500	9,328	53,172
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	62,500	62,500	9,328	53,172
Excess (deficiency) of revenues over expenditures	8,550	(41,450)	81,745	123,195
Other financing sources (uses):				
Designated cash	(8,550)	41,450	-	(41,450)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	(8,550)	41,450	-	(41,450)
Net change in fund balance	-	-	81,745	81,745
Fund balance - beginning of year	-	-	176,063	176,063
Fund balance - end of year	\$ -	\$ -	\$ 257,808	\$ 257,808

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, 2007

Statement A-41

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
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	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Designated cash	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	2,700,000	2,700,000
Fund balance - end of year	\$ -	\$ -	\$ 2,700,000	\$ 2,700,000

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

STATE OF NEW MEXICO

Statement A-43

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Designated cash	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	2,000,000	2,000,000
Fund balance - end of year	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000

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

STATE OF NEW MEXICO

Statement A-44

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ 1,041,475	\$ 1,041,475
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	1,041,475	1,041,475
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,041,475	1,041,475
Other financing sources (uses):				
Designated cash	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	(154,195)	(154,195)
Total other financing sources (uses)	-	-	(154,195)	(154,195)
Net change in fund balance	-	-	887,280	887,280
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 887,280	\$ 887,280

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

STATE OF NEW MEXICO
 Eddy County
 COPS Grant
 Statement of Revenues, Expenditures and Changes in
 Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2007

Statement A-45

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	143,500	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	2,500	-	-	-
	2,500	-	-	-
<i>Total expenditures</i>	146,000	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	(146,000)	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	146,000	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
	-	-	-	-
<i>Total other financing sources (uses)</i>	146,000	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	146,079	146,079
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 146,079	\$ 146,079

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	60,000	33,348	(26,652)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>60,000</u>	<u>33,348</u>	<u>(26,652)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	60,000	60,000	2,443	57,557
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>60,000</u>	<u>60,000</u>	<u>2,443</u>	<u>57,557</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(60,000)</u>	<u>-</u>	<u>30,905</u>	<u>30,905</u>
<i>Other financing sources (uses):</i>				
Designated cash	60,000	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>30,905</u>	<u>30,905</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>98,015</u>	<u>98,015</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,920</u>	<u>\$ 128,920</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	65,000	65,000	69,483	4,483
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>65,000</u>	<u>65,000</u>	<u>69,483</u>	<u>4,483</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	82,000	82,000	80,000	2,000
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>82,000</u>	<u>82,000</u>	<u>80,000</u>	<u>2,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(17,000)</u>	<u>(17,000)</u>	<u>(10,517)</u>	<u>6,483</u>
<i>Other financing sources (uses):</i>				
Designated cash	17,000	17,000	-	(17,000)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>17,000</u>	<u>17,000</u>	<u>-</u>	<u>(17,000)</u>
<i>Net change in fund balance</i>	-	-	(10,517)	(10,517)
<i>Fund balance - beginning of year</i>	-	-	81,840	81,840
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>71,323</u>	\$ <u>71,323</u>

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

STATE OF NEW MEXICO

Statement A-48

Eddy County

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	352,114	329,793	(22,321)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	17,245	17,245
Investment income	-	-	-	-
Miscellaneous	-	-	275	275
<i>Total revenues</i>	<u>-</u>	<u>352,114</u>	<u>347,313</u>	<u>(4,801)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	270,711	337,381	323,943	13,438
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	40,926	40,926	-
<i>Total expenditures</i>	<u>270,711</u>	<u>378,307</u>	<u>364,869</u>	<u>13,438</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(270,711)</u>	<u>(26,193)</u>	<u>(17,556)</u>	<u>8,637</u>
<i>Other financing sources (uses):</i>				
Designated cash	270,711	26,193	-	(26,193)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>270,711</u>	<u>26,193</u>	<u>-</u>	<u>(26,193)</u>
<i>Net change in fund balance</i>	-	-	(17,556)	(17,556)
<i>Fund balance - beginning of year</i>	-	-	34,712	34,712
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>17,156</u>	\$ <u>17,156</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, 2007

Statement A-49

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	41,521	23,556	(17,965)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	24,150	24,150
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	41,521	47,706	6,185
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	11,521	41,521	31,133	10,388
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	11,521	41,521	31,133	10,388
<i>Excess (deficiency) of revenues over expenditures</i>	(11,521)	-	16,573	16,573
<i>Other financing sources (uses):</i>				
Designated cash	11,521	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	11,521	-	-	-
<i>Net change in fund balance</i>	-	-	16,573	16,573
<i>Fund balance - beginning of year</i>	-	-	18,061	18,061
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 34,634	\$ 34,634

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, 2007

Statement A-50

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	60,000	63,836	47,670	(16,166)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,000</u>	<u>63,836</u>	<u>47,670</u>	<u>(16,166)</u>
<i>Expenditures:</i>				
Current:				
General government	105,292	109,128	68,380	40,748
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>105,292</u>	<u>109,128</u>	<u>68,380</u>	<u>40,748</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(45,292)</u>	<u>(45,292)</u>	<u>(20,710)</u>	<u>24,582</u>
<i>Other financing sources (uses):</i>				
Designated cash	45,292	45,292	-	(45,292)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>45,292</u>	<u>45,292</u>	<u>-</u>	<u>(45,292)</u>
<i>Net change in fund balance</i>	-	-	(20,710)	(20,710)
<i>Fund balance - beginning of year</i>	-	-	45,292	45,292
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ <u>24,582</u>	\$ <u>24,582</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, 2007

Statement A-51

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	25,000	20,863	2,472	18,391
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>25,000</u>	<u>20,863</u>	<u>2,472</u>	<u>18,391</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,000)</u>	<u>(20,863)</u>	<u>(2,472)</u>	<u>18,391</u>
<i>Other financing sources (uses):</i>				
Designated cash	25,000	20,863	-	(20,863)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,000</u>	<u>20,863</u>	<u>-</u>	<u>(20,863)</u>
<i>Net change in fund balance</i>	-	-	(2,472)	(2,472)
<i>Fund balance - beginning of year</i>	-	-	26,967	26,967
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 24,495	\$ 24,495

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, 2007

Statement A-52

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	150,000	55,282	(94,718)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>150,000</u>	<u>55,282</u>	<u>(94,718)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	150,000	150,000	55,300	94,700
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>150,000</u>	<u>150,000</u>	<u>55,300</u>	<u>94,700</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(150,000)</u>	<u>-</u>	<u>(18)</u>	<u>(18)</u>
<i>Other financing sources (uses):</i>				
Designated cash	150,000	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>(18)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>120,077</u>	<u>120,077</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,059</u>	<u>\$ 120,059</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, 2007

Statement A-53

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
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	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
	-----	-----	-----	-----
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	8,547	8,547
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 8,547	\$ 8,547

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

STATE OF NEW MEXICO

Statement A-54

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ 230,000	\$ 183,560	\$ (46,440)
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	230,000	183,560	(46,440)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	352,500	352,500	23,759	328,741
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	352,500	352,500	23,759	328,741
Excess (deficiency) of revenues over expenditures	(352,500)	(122,500)	159,801	282,301
Other financing sources (uses):				
Designated cash	352,500	122,500	-	(122,500)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	352,500	122,500	-	(122,500)
Net change in fund balance	-	-	159,801	159,801
Fund balance - beginning of year	-	-	335,802	335,802
Fund balance - end of year	\$ -	\$ -	\$ 495,603	\$ 495,603

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, 2007

Statement A-55

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	173,659	196,177	22,518
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	173,659	196,177	22,518
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	168,240	173,659	124,243	49,416
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	168,240	173,659	124,243	49,416
Excess (deficiency) of revenues over expenditures	(168,240)	-	71,934	71,934
Other financing sources (uses):				
Designated cash	168,240	-	-	-
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	168,240	-	-	-
Net change in fund balance	-	-	71,934	71,934
Fund balance - beginning of year	-	-	(2,729)	(2,729)
Fund balance - end of year	\$ -	\$ -	\$ 69,205	\$ 69,205

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

STATE OF NEW MEXICO

Statement A-56

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,200,000	2,763,739	2,625,201	(138,538)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	22,840	22,840
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	25,000	2,500	1,769	(731)
Total revenues	2,225,000	2,766,239	2,649,810	(116,429)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	2,058,500	3,000,157	2,999,097	1,060
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,058,500	3,000,157	2,999,097	1,060
Excess (deficiency) of revenues over expenditures	166,500	(233,918)	(349,287)	(115,369)
Other financing sources (uses):				
Designated cash	(166,500)	377,918	-	(377,918)
Sale of capital assets	-	-	-	-
Operating transfers in (out)	-	(144,000)	(1,043)	142,957
Total other financing sources (uses)	(166,500)	233,918	(1,043)	(234,961)
Net change in fund balance	-	-	(350,330)	(350,330)
Fund balance - beginning of year	-	-	377,919	377,919
Fund balance - end of year	\$ -	\$ -	\$ 27,589	\$ 27,589

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

STATE OF NEW MEXICO

Statement A-57

Eddy County

Cottonwood

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
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	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO

Statement A-58

Eddy County

Otis

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
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	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -

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

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CAPITAL PROJECTS FUNDS

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, 2007

Statement A-59

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
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	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	4,000,000	4,000,000
<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, 2007

Statement A-60

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	4,081,024	1,032,639	(3,048,385)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
	-	4,081,024	1,032,639	(3,048,385)
Total revenues	-	4,081,024	1,032,639	(3,048,385)
<i>Expenditures:</i>				
Current:				
General government	3,200,377	4,557,662	1,069,906	3,487,756
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
	3,200,377	4,557,662	1,069,906	3,487,756
Total expenditures	3,200,377	4,557,662	1,069,906	3,487,756
Excess (deficiency) of revenues over expenditures	(3,200,377)	(476,638)	(37,267)	439,371
<i>Other financing sources (uses):</i>				
Designated cash	3,200,377	476,638	-	(476,638)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
	3,200,377	476,638	-	(476,638)
Total other financing sources (uses)	3,200,377	476,638	-	(476,638)
Net change in fund balance	-	-	(37,267)	(37,267)
Fund balance - beginning of year	-	-	(123,910)	(123,910)
Fund balance - end of year	\$ -	\$ -	\$ (161,177)	\$ (161,177)

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

STATE OF NEW MEXICO

Statement A-61

Eddy County

Communication Center

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	100,000	190	(99,810)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	100,000	190	(99,810)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	100,000	100,197	37,901	62,296
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	100,000	100,197	37,901	62,296
Excess (deficiency) of revenues over expenditures	(100,000)	(197)	(37,711)	(37,514)
Other financing sources (uses):				
Designated cash	100,000	(59,803)	-	59,803
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	60,000	100,000	40,000
Total other financing sources (uses)	100,000	197	100,000	99,803
Net change in fund balance	-	-	62,289	62,289
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 62,289	\$ 62,289

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

DEBT SERVICE FUNDS

STATE OF NEW MEXICO

Statement A-62

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	100	100	-	100
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	<u>240,000</u>	<u>305,000</u>	<u>242,015</u>	<u>62,985</u>
<i>Total expenditures</i>	<u>240,100</u>	<u>305,100</u>	<u>242,015</u>	<u>63,085</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(240,100)</u>	<u>(305,100)</u>	<u>(242,015)</u>	<u>63,085</u>
<i>Other financing sources (uses):</i>				
Designated cash	240,100	305,100	-	(305,100)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>240,100</u>	<u>305,100</u>	<u>-</u>	<u>(305,100)</u>
<i>Net change in fund balance</i>	-	-	(242,015)	(242,015)
<i>Fund balance - beginning of year</i>	-	-	522,400	522,400
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>280,385</u>	\$ <u>280,385</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, 2007

Statement A-63

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ 1,790,121	\$ 2,506,770	\$ 716,649
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,790,121</u>	<u>2,506,770</u>	<u>716,649</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	250,000	623,121	769,834	(146,713)
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	<u>3,000,000</u>	<u>2,298,512</u>	<u>1,162,954</u>	<u>1,135,558</u>
<i>Total expenditures</i>	<u>3,250,000</u>	<u>2,921,633</u>	<u>1,932,788</u>	<u>988,845</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,250,000)</u>	<u>(1,131,512)</u>	<u>573,982</u>	<u>1,705,494</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,250,000	1,131,512	-	(1,131,512)
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	(14,489)	(14,489)
<i>Total other financing sources (uses)</i>	<u>3,250,000</u>	<u>1,131,512</u>	<u>(14,489)</u>	<u>(1,146,001)</u>
<i>Net change in fund balance</i>	-	-	559,493	559,493
<i>Fund balance - beginning of year</i>	-	-	<u>2,380,794</u>	<u>2,380,794</u>
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,940,287</u>	\$ <u>2,940,287</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, 2007

Statement A-64

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ 835,392	\$ 835,392	\$ 835,393	\$ 1
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>835,392</u>	<u>835,392</u>	<u>835,393</u>	<u>1</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and roads	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	<u>562,258</u>	<u>801,060</u>	<u>772,522</u>	<u>28,538</u>
<i>Total expenditures</i>	<u>562,258</u>	<u>801,060</u>	<u>772,522</u>	<u>28,538</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>273,134</u>	<u>34,332</u>	<u>62,871</u>	<u>28,539</u>
<i>Other financing sources (uses):</i>				
Designated cash	(273,134)	(34,332)	-	34,332
Sale of capital assets	-	-	66,987	66,987
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(273,134)</u>	<u>(34,332)</u>	<u>66,987</u>	<u>101,319</u>
<i>Net change in fund balance</i>	-	-	129,858	129,858
<i>Fund balance - beginning of year</i>	-	-	3,196,706	3,196,706
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,326,564</u>	<u>\$ 3,326,564</u>

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

STATE OF NEW MEXICO

Statement A-65

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	20,586	20,586
<i>Fund balance - end of year</i>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>20,586</u>	\$ <u>20,586</u>

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, 2007

Statement A-66

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	40,000	40,000
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Operating transfers in (out)	-	-	(40,000)	(40,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

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

FIDUCIARY FUNDS

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STATE OF NEW MEXICO
Eddy County
Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
Year Ended June 30, 2007

Statement B

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
ASSETS				
Cash and temporary investments	\$ 1,260,520	\$ 81,787	\$ -	\$ 1,342,307
Receivables:				
Property taxes	552,849	1,017,941	-	1,570,790
Other taxes	1,991,982	-	423,737	1,568,245
<i>Total assets</i>	\$ 3,805,351	\$ 1,099,728	\$ 423,737	\$ 4,481,342
LIABILITIES				
Due to other taxing units	\$ 3,805,351	\$ 675,991	\$ -	\$ 4,481,342
<i>Total liabilities</i>	\$ 3,805,351	\$ 675,991	\$ -	\$ 4,481,342

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

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Eddy County
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2007

	Carlsbad National Bank	1st National Bank of Artesia
Total amount of Deposits	\$ 8,136,748	\$ 3,800,000
Less FDIC or FSLIC coverage	200,000	100,000
Total uninsured public funds	7,936,748	3,700,000
Collateral requirement 50%	3,968,374	1,850,000

Type of Security Security Number	CUSIP Number	Maturity Date		
FHLB 1260	3133XCSA2	9/12/2008	987,230	-
FHLB 1256	3133M7V37	3/3/2009	1,005,997	-
FHLB 1270	3133X7SH8	5/15/2009	981,286	-
FHLB 1255	3133X8EL2	8/18/2009	969,880	-
FHLB 1277	3133XDT84	12/11/2009	987,959	-
FHLB 1264	3133XDTA9	12/10/2010	984,427	-
FHLB 1263	31331VGB6	9/22/2009	991,468	-
FHLB	3133XGSE5	9/8/2016	-	733,035
LOS LUNAS NM - AMBAC INSD	545559CR5	4/1/2011	-	100,000
MBS FHLMC 15 Yr E97112	3128H43V9	5/1/2018	-	506,648
MBS GNMA I 598683 15 Yr	36200ECU3	5/15/2018	-	141,907
MBS FHLMC 15 Yr M30291	31282CKC0	7/1/2018	-	124,532
MBS FNMA 798046	31405STB0	1/1/2020	-	349,883
FMAC 3-1 7/1/33 1Yr	1b0951	7/1/2033	-	-
FNMA 1Yr TR	648558	6/1/2032	-	-
FNMA ARM 9/1/32	661745	9/1/2032	-	-
FNMA 1Yr CMT	696460	4/1/2033	-	-
FHLMC 1Yr TR	781721	7/1/2034	-	-
FHLMC 1Yr TR	847032	7/1/2032	-	-
FNMA-LIBOR	91-156f	11/25/2021	-	-
FNCL 671618	31391NDX6	12/1/2032	-	-
FNCL 831480	31407HXH4M0	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	-	-

See Independent Auditor's Report.

<u>Pioneer Bank</u>	<u>Wells Fargo Bank</u>	<u>Western Bank of Artesia</u>	<u>Western Commerce Bank</u>	<u>Artesia National Bank</u>	<u>City of Carlsbad</u>	<u>Total</u>
\$ 3,400,000	\$ 4,005,500	\$ 2,900,000	\$ 4,245,625	\$ 1,641,256	\$ 696,767	\$ 28,825,896
100,000	105,500	100,000	200,000	141,256	-	946,756
3,300,000	3,900,000	2,800,000	4,045,625	1,500,000	696,767	27,879,140
1,650,000	1,950,000	1,400,000	2,022,813	750,000	348,384	13,939,571
-	-	-	-	-	-	987,230
-	-	-	-	-	-	1,005,997
-	-	-	-	-	-	981,286
-	-	-	-	-	-	969,880
-	-	-	-	-	-	987,959
-	-	-	-	-	-	984,427
-	-	-	-	-	-	991,468
-	-	-	-	-	-	733,035
-	-	-	-	-	-	100,000
-	-	-	-	-	-	506,648
-	-	-	-	-	-	141,907
-	-	-	-	-	-	124,532
-	-	-	-	-	-	349,883
359,340	-	-	-	-	-	359,340
3,300	-	-	-	-	-	3,300
106,445	-	-	-	-	-	106,445
145,616	-	-	-	-	-	145,616
713,412	-	-	-	-	-	713,412
174,114	-	-	-	-	-	174,114
71,221	-	-	-	-	-	71,221
-	246,530	-	-	-	-	246,530
-	2,489,032	-	-	-	-	2,489,032
-	43,292	-	-	-	-	43,292
-	-	592,695	-	-	-	592,695
-	-	310,866	-	-	-	310,866
-	-	250,000	-	-	-	250,000

(continued)

STATE OF NEW MEXICO
Eddy County
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2007

<u>Type of Security Security Number</u>	<u>CUSIP Number</u>	<u>Maturity Date</u>	<u>Carlsbad National Bank</u>	<u>1st National Bank of Artesia</u>
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	-	-
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	-	-
GNMA 80664	36225CW28	1/20/2033	-	-
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			-	-
Total pledged securities			<u>6,908,247</u>	<u>1,956,005</u>
Over (under) pledged			<u>\$ 2,939,873</u>	<u>\$ 106,005</u>

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

<u>Pioneer Bank</u>	<u>Wells Fargo Bank</u>	<u>Western Bank of Artesia</u>	<u>Western Commerce Bank</u>	<u>Artesia National Bank</u>	<u>City of Carlsbad</u>	<u>Total</u>
-	-	74,438	-	-	-	74,438
-	-	80,082	-	-	-	80,082
-	-	110,946	-	-	-	110,946
-	-	352,369	-	-	-	352,369
-	-	51,294	-	-	-	51,294
-	-	-	40,066	-	-	40,066
-	-	-	25,730	-	-	25,730
-	-	-	41,972	-	-	41,972
-	-	-	40,560	-	-	40,560
-	-	-	26,981	-	-	26,981
-	-	-	70,269	-	-	70,269
-	-	-	36,728	-	-	36,728
-	-	-	82,217	-	-	82,217
-	-	-	127,399	-	-	127,399
-	-	-	130,403	-	-	130,403
-	-	-	110,928	-	-	110,928
-	-	-	89,431	-	-	89,431
-	-	-	240,363	-	-	240,363
-	-	-	351,126	-	-	351,126
-	-	-	296,734	-	-	296,734
-	-	-	142,703	-	-	142,703
-	-	-	208,065	-	-	208,065
-	-	-	329,275	-	-	329,275
-	-	-	-	455,339	-	455,339
-	-	-	-	364,960	-	364,960
-	-	-	-	-	348,384	348,384
<u>1,573,448</u>	<u>2,778,854</u>	<u>1,822,690</u>	<u>2,390,950</u>	<u>820,299</u>	<u>348,384</u>	<u>18,598,877</u>
<u>\$ (76,552)</u>	<u>\$ 828,854</u>	<u>\$ 422,690</u>	<u>\$ 368,137</u>	<u>\$ 70,299</u>	<u>\$ -</u>	<u>\$ 4,659,306</u>

STATE OF NEW MEXICO
Eddy County
Schedule of Deposit and Investment Accounts
June 30, 2007

<u>Deposit or Investment Account Type</u>	<u>Carlsbad National Bank</u>	<u>1st National Bank of Artesia</u>	<u>Pioneer Bank</u>	<u>Wells Fargo Bank</u>	<u>Western Bank of Artesia</u>
Certificate of Deposit	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	500,000	-	-	-	-
Certificate of Deposit	500,000	-	-	-	-
Certificate of Deposit	500,000	-	-	-	-
Certificate of Deposit	1,500,000	-	-	-	-
Certificate of Deposit	500,000	-	-	-	-
Certificate of Deposit	500,000	-	-	-	-
Certificate of Deposit	500,000	-	-	-	-
Certificate of Deposit	160,914	-	-	-	-
Certificate of Deposit	1,186	-	-	-	-
Certificate of Deposit	725,180	-	-	-	-
Certificate of Deposit	-	500,000	-	-	-
Certificate of Deposit	-	500,000	-	-	-
Certificate of Deposit	-	500,000	-	-	-
Certificate of Deposit	-	500,000	-	-	-
Certificate of Deposit	-	500,000	-	-	-
Certificate of Deposit	-	300,000	-	-	-
Certificate of Deposit	-	500,000	-	-	-
Certificate of Deposit	-	500,000	-	-	-
Certificate of Deposit	-	-	500,000	-	-
Certificate of Deposit	-	-	400,000	-	-
Certificate of Deposit	-	-	500,000	-	-
Certificate of Deposit	-	-	500,000	-	-
Certificate of Deposit	-	-	500,000	-	-
Certificate of Deposit	-	-	500,000	-	-
Certificate of Deposit	-	-	500,000	-	-
Certificate of Deposit	-	-	-	800,000	-
Certificate of Deposit	-	-	-	500,000	-
Certificate of Deposit	-	-	-	500,000	-
Certificate of Deposit	-	-	-	500,000	-
Certificate of Deposit	-	-	-	500,000	-
Certificate of Deposit	-	-	-	600,000	-
Certificate of Deposit	-	-	-	600,000	-
Certificate of Deposit	-	-	-	-	500,000

<u>Western Commerce Bank</u>	<u>Artesia National Bank</u>	<u>City of Carlsbad</u>	<u>AP Institutional US Treasury Fund</u>	<u>Government Investment Pool</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	1,500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	160,914
-	-	-	-	-	1,186
-	-	-	-	-	725,180
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	800,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	600,000
-	-	-	-	-	600,000
-	-	-	-	-	500,000

(continued)

STATE OF NEW MEXICO
Eddy County
Schedule of Deposit and Investment Accounts
June 30, 2007

<u>Deposit or Investment Account Type</u>	<u>Carlsbad National Bank</u>	<u>1st National Bank of Artesia</u>	<u>Pioneer Bank</u>	<u>Wells Fargo Bank</u>	<u>Western Bank of Artesia</u>
Certificate of Deposit	-	-	-	-	600,000
Certificate of Deposit	-	-	-	-	300,000
Certificate of Deposit	-	-	-	-	500,000
Certificate of Deposit	-	-	-	-	500,000
Certificate of Deposit	-	-	-	-	500,000
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Checking Account	1,749,216	-	-	-	-
Checking Account	252	-	-	-	-
Checking Account	-	-	-	5,500	-
Checking Account	-	-	-	-	-
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	<u>8,136,748</u>	<u>3,800,000</u>	<u>3,400,000</u>	<u>4,005,500</u>	<u>2,900,000</u>
Outstanding items	(666,948)	-	-	-	-
Cash on Hand	-	-	-	-	-
	<u>\$ 7,469,800</u>	<u>\$ 3,800,000</u>	<u>\$ 3,400,000</u>	<u>\$ 4,005,500</u>	<u>\$ 2,900,000</u>

<u>Western Commerce Bank</u>	<u>Artesia National Bank</u>	<u>City of Carlsbad</u>	<u>AP Institutional US Treasury Fund</u>	<u>Government Investment Pool</u>	<u>Total</u>
-	-	-	-	-	600,000
-	-	-	-	-	300,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
-	-	-	-	-	500,000
500,000	-	-	-	-	500,000
500,000	-	-	-	-	500,000
500,000	-	-	-	-	500,000
500,000	-	-	-	-	500,000
600,000	-	-	-	-	600,000
500,000	-	-	-	-	500,000
500,000	-	-	-	-	500,000
500,000	-	-	-	-	500,000
-	600,000	-	-	-	600,000
-	500,000	-	-	-	500,000
-	500,000	-	-	-	500,000
-	-	-	-	-	1,749,216
-	-	-	-	-	252
-	-	-	-	-	5,500
59,386	-	-	-	-	59,386
79,581	-	-	-	-	79,581
6,659	-	-	-	-	6,659
-	41,256	-	-	-	41,256
-	-	696,767	-	-	696,767
-	-	-	-	600,000	600,000
-	-	-	-	1,300,000	1,300,000
-	-	-	-	1,100,000	1,100,000
-	-	-	-	1,000,000	1,000,000
-	-	-	-	1,000,000	1,000,000
-	-	-	-	3,000,000	3,000,000
-	-	-	21,328	-	21,328
<u>4,245,626</u>	<u>1,641,256</u>	<u>696,767</u>	<u>21,328</u>	<u>8,000,000</u>	<u>36,847,225</u>
-	4,613	-	-	-	(662,335)
-	-	-	-	-	1,350
<u>\$ 4,245,626</u>	<u>\$ 1,645,869</u>	<u>\$ 696,767</u>	<u>\$ 21,328</u>	<u>\$ 8,000,000</u>	<u>\$ 36,186,240</u>

STATE OF NEW MEXICO
Eddy County
Tax Roll Reconciliation - Property Taxes Receivable
For the Year Ended June 30, 2007

Schedule III

Property taxes receivable, beginning of year	\$	839,243
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		18,161,024
Collections for fiscal year June 30, 2007		<u>(16,590,234)</u>
	\$	<u>1,570,790</u>

Property taxes receivable by years:

1998	\$	271
1999		497
2000		1,727
2001		1,404
2002		5,205
2003		2,257
2004		9,311
2005		305,192
2006		<u>1,244,926</u>
	\$	<u>1,570,790</u>

STATE OF NEW MEXICO

Schedule IV

Eddy County
Tax Roll Reconciliation
June 30, 2007

	Taxes Receivable 7/1/2006	Net Taxes Charged to Treasurer	Collections	Taxes Receivable 6/30/2007	Distributions
Delinquent taxes	\$ 1,396	\$ -	\$ 623	\$ 773	\$ 623
Eddy County Funds:					
County Operational	263,545	6,033,308	5,810,664	486,189	5,810,664
EDFD	16,927	250,681	249,899	17,709	249,899
Artesia General Hospital	70,079	1,448,828	1,270,110	248,797	1,270,110
Pecos Valley Conservatory	25,033	389,745	388,163	26,615	388,163
Hackberry Draw	784	6,875	6,740	919	6,740
CSWC	15,083	216,774	217,433	14,424	217,433
Cottonwood Walnut Creek	1,634	49,480	47,878	3,236	47,878
PSWC	211	3,090	3,055	246	3,055
CVSWC					
Conservatory	1,758	47,427	47,951	1,234	47,951
NMSU-C	19,398	475,679	476,145	18,932	476,145
Municipalities:					
Carlsbad	105,562	1,563,082	1,566,343	102,301	1,566,343
Artesia/Hope	23,103	337,809	272,634	88,278	272,634
Loving	808	7,634	7,508	934	7,508
State of New Mexico	45,192	1,037,970	997,212	85,950	997,212
Schools:					
Carlsbad	126,423	2,932,091	2,939,797	118,717	2,939,797
Artesia/Hope	112,935	2,330,637	2,101,825	341,747	2,101,825
Loving	4,284	107,403	106,513	5,174	106,513
State Specials: Livestock	5,088	60,942	57,415	8,615	57,415
Taxes in Advance	-	22,326	22,326	-	-
Total Taxes	\$ 839,243	\$ 17,321,781	\$ 16,590,234	\$ 1,570,790	\$ 16,567,908

See Independent Auditor's Report.

STATE OF NEW MEXICO
Eddy County Treasurer's Property Tax Schedule
Property Tax Schedule
For the Year Ended June 30, 2007

Agency	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed in Current Year
State of New Mexico				
1998-2005	\$ 7,699,645	\$ 3,185	\$ 7,759,706	\$ 3,153
2006	1,160,724	15,360	1,091,093	15,206
Total State of New Mexico	<u>8,860,369</u>	<u>18,545</u>	<u>8,850,799</u>	<u>18,359</u>
Eddy County				
1998-2005	38,972,330	20,044	39,369,652	19,844
2006	6,450,973	82,703	6,063,973	81,876
Total Eddy County	<u>45,423,303</u>	<u>102,747</u>	<u>45,433,625</u>	<u>101,720</u>
Municipalities:				
City of Carlsbad				
1998-2005	9,295,048	12,444	9,251,249	12,320
2006	1,626,167	41,959	1,546,424	41,539
Total City of Carlsbad	<u>10,921,215</u>	<u>54,403</u>	<u>10,797,673</u>	<u>53,859</u>
Loving				
1998-2005	57,866	58	57,281	58
2006	8,581	108	7,808	107
Total Loving	<u>66,447</u>	<u>166</u>	<u>65,089</u>	<u>165</u>
City of Artesia				
1998-2005	1,934,770	904	1,900,034	895
2006	373,664	3,527	300,827	3,492
Total City of Artesia	<u>2,308,434</u>	<u>4,431</u>	<u>2,200,861</u>	<u>4,387</u>
Hope				
1998-2005	33,062	11	32,606	-
2006	4,549	58	4,288	57
Total Hope	<u>37,611</u>	<u>69</u>	<u>36,894</u>	<u>57</u>
Total Municipalities	<u>13,333,707</u>	<u>59,069</u>	<u>13,100,517</u>	<u>58,468</u>
Schools:				
Carlsbad Schools				
1998-2005	21,860,715	12,638	22,239,336	12,512
2006	3,113,270	50,406	3,021,873	49,902
Total Carlsbad Schools	<u>24,973,985</u>	<u>63,044</u>	<u>25,261,209</u>	<u>62,414</u>
Loving Schools				
1998-2005	1,283,505	180	1,283,602	178
2006	123,717	984	119,603	974
Total Loving Schools	<u>1,407,222</u>	<u>1,164</u>	<u>1,403,205</u>	<u>1,152</u>
Artesia Schools				
1998-2005	14,047,137	5,370	13,949,238	5,248
2006	2,528,736	22,202	2,250,834	21,980
Total Artesia Schools	<u>\$ 16,575,873</u>	<u>\$ 27,572</u>	<u>\$ 16,200,072</u>	<u>\$ 27,228</u>

See Independent Auditor's Report.

Distributed To-Date	Undistributed at Year End	County Receivable at Year End
\$ 7,682,109	\$ -	\$ 16,730
1,080,182	-	69,220
<u>8,762,291</u>	<u>-</u>	<u>85,950</u>
38,975,956	-	96,731
6,003,333	-	387,411
<u>44,979,289</u>	<u>-</u>	<u>484,142</u>
9,158,736	-	24,946
1,530,960	-	77,355
<u>10,689,696</u>	<u>-</u>	<u>102,301</u>
56,707	-	205
7,730	-	728
<u>64,437</u>	<u>-</u>	<u>933</u>
1,881,033	-	15,853
297,819	-	72,201
<u>2,178,852</u>	<u>-</u>	<u>88,054</u>
32,281	-	9
4,245	-	216
<u>36,526</u>	<u>-</u>	<u>225</u>
<u>12,969,511</u>	<u>-</u>	<u>191,513</u>
22,016,942	-	27,856
2,991,654	-	90,861
<u>25,008,596</u>	<u>-</u>	<u>118,717</u>
1,270,765	-	1,281
118,407	-	3,893
<u>1,389,172</u>	<u>-</u>	<u>5,174</u>
13,809,744	-	63,540
2,228,326	-	278,207
<u>\$ 16,038,070</u>	<u>\$ -</u>	<u>\$ 341,747</u>

STATE OF NEW MEXICO
Eddy County Treasurer's Property Tax Schedule
Property Tax Schedule
For the Year Ended June 30, 2007

Agency	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed in Current Year
NMSU - Carlsbad				
1998-2005	\$ 3,212,225	\$ 1,986	\$ 3,277,480	\$ 1,986
2006	516,954	8,225	502,315	8,225
Total NMSU - Carlsbad	<u>3,729,179</u>	<u>10,211</u>	<u>3,779,795</u>	<u>10,211</u>
Total Schools	<u>46,686,259</u>	<u>101,991</u>	<u>46,644,281</u>	<u>101,005</u>
Special Districts and Other:				
Artesia General Hospital				
1998-2005	6,206,254	3,576	6,141,453	3,518
2006	1,910,237	16,828	1,700,639	16,660
Total Artesia General Hospital	<u>8,116,491</u>	<u>20,404</u>	<u>7,842,091</u>	<u>20,178</u>
Livestock				
1998-2005	439,285	129	431,150	128
2006	67,985	867	63,255	859
Total Livestock	<u>507,270</u>	<u>996</u>	<u>494,404</u>	<u>987</u>
Hackberry Draw				
1998-2005	11,725	12	11,470	11
2006	7,039	185	6,326	176
Total Hackberry Draw	<u>18,764</u>	<u>197</u>	<u>17,796</u>	<u>187</u>
PVCD				
1998-2005	2,043,499	1,285	2,021,616	1,261
2006	306,916	5,079	295,245	5,028
Total PVCD	<u>2,350,415</u>	<u>6,364</u>	<u>2,316,861</u>	<u>6,289</u>
EDFD				
1998-2005	1,472,792	774	1,458,766	762
2006	186,270	3,075	179,338	3,044
Total EDFD	<u>1,659,062</u>	<u>3,849</u>	<u>1,638,104</u>	<u>3,806</u>
Cottonwood				
1998-2005	339,612	127	300,652	62
2006	52,615	864	49,705	821
Total Cottonwood	<u>392,227</u>	<u>991</u>	<u>350,357</u>	<u>883</u>
Carlsbad SWCD				
1998-2005	1,433,927	1,533	1,461,268	1,456
2006	226,641	5,946	215,721	5,649
Total Carlsbad SWCD	<u>\$ 1,660,568</u>	<u>\$ 7,479</u>	<u>\$ 1,676,989</u>	<u>\$ 7,105</u>

See Independent Auditor's Report.

Distributed To-Date	Undistributed at Year End	County Receivable at Year End
\$ 3,277,480	\$ -	\$ 4,309
502,315	-	14,624
<u>3,779,795</u>	<u>-</u>	<u>18,933</u>
46,215,633	-	484,571
6,080,038	-	38,991
1,683,632	-	209,807
<u>7,763,670</u>	<u>-</u>	<u>248,798</u>
426,838	-	3,874
62,622	-	4,741
<u>489,460</u>	<u>-</u>	<u>8,615</u>
10,896	-	210
6,010	-	709
<u>16,906</u>	<u>-</u>	<u>919</u>
2,001,400	-	15,056
292,293	-	11,560
<u>2,293,693</u>	<u>-</u>	<u>26,616</u>
1,444,178	-	10,857
177,545	-	6,852
<u>1,621,723</u>	<u>-</u>	<u>17,709</u>
285,619	-	326
47,220	-	2,911
<u>332,839</u>	<u>-</u>	<u>3,237</u>
1,388,205	-	3,588
204,935	-	10,836
<u>\$ 1,593,140</u>	<u>\$ -</u>	<u>\$ 14,424</u>

STATE OF NEW MEXICO
 Eddy County Treasurer's Property Tax Schedule
 Property Tax Schedule
 For the Year Ended June 30, 2007

Agency	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed in Current Year
Central Valley SWCD				
1998-2005	\$ 175,840	\$ 149	\$ 175,895	\$ 139
2006	26,154	448	25,300	426
Total CVSWCD	<u>201,994</u>	<u>597</u>	<u>201,195</u>	<u>565</u>
Penasco				
1998-2005	22,643	21	22,583	6
2006	3,159	58	2,980	55
Total Penasco SWCD	<u>25,802</u>	<u>79</u>	<u>25,563</u>	<u>61</u>
Non-Rendering				
1998-2005	303,712	33	297,382	33
2006	28,262	871	25,496	871
Total Non-Rendering	<u>331,974</u>	<u>904</u>	<u>322,878</u>	<u>904</u>
Total Special Districts and Other	<u>15,264,567</u>	<u>41,861</u>	<u>14,886,238</u>	<u>40,966</u>
Grand Total	<u>\$129,568,205</u>	<u>\$ 324,213</u>	<u>\$128,915,460</u>	<u>\$ 320,518</u>

See Independent Auditor's Report.

<u>Distributed To-Date</u>	<u>Undistributed at Year End</u>	<u>County Receivable at Year End</u>
\$ 167,100	\$ -	\$ 379
24,035	-	855
<u>191,135</u>	<u>-</u>	<u>1,234</u>
21,455	-	70
2,831	-	177
<u>24,286</u>	<u>-</u>	<u>247</u>
297,382	-	1,051
25,496	-	1,764
<u>322,878</u>	<u>-</u>	<u>2,815</u>
14,649,730	-	324,614
<u>\$127,576,454</u>	<u>\$ -</u>	<u>\$ 1,570,790</u>

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COMPLIANCE SECTION

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Accounting & Consulting Group, LLP

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

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

We have audited the accompanying financial statements and budgetary comparisons for the General Fund and Civil Emergency Special Revenue Fund and the aggregate remaining fund information of Eddy County (County) as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued our report thereon dated November 15, 2007. We also have audited the financial statements and budgetary comparison schedules 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, 2007 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Eddy County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by Eddy County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 several instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* 5. which are described in the accompanying schedule of findings and questioned costs as items 2005-1, 2007-3 and 2007-4.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 2006-4; 2006-5, 2007-1, and 2007-2.

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

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
November 15, 2007

FEDERAL FINANCIAL ASSISTANCE

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Accounting & Consulting Group, LLP

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

Hector Balderas
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, 2007. 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, 2007.

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 the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eddy County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Commission, 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
November 15, 2007

STATE OF NEW MEXICO
Eddy County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Schedule VI

	Pass-Through Entity Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Justice			
BJA Modified Therapeutic Comm.	2004-DD-BX-1418	16.580	\$ 129,136
COPS Universal Hiring Grant	2003UMWX0322	16.710	75,000
High Intensity Drug Trafficking Area (1)	N/A	16.579	271,868
DCSI Grant (1)	N/A	16.579	50,443
 <i>Passed Through State of New Mexico</i>			
<i>Department of Public Safety</i>			
Region VI - Justice Assistance Grant (1)	06JAGRegion VI	16.579	<u>73,359</u>
Total U.S. Department of Justice			<u>599,806</u>
 U.S. Dept of Homeland Security/Office of Domestic Preparedness			
Equipment Grant (1)	2004-GE-T4-0005-EDDY	97.004	1,311,559
EMPG Grant (1)	2006-GE-T6-0064-EDDY	97.004	791,347
EMPG Grant (1)	2005-GE-T5-0012-EDDY	97.004	<u>180,672</u>
Total U.S. Dept of Homeland Security/Office of Domestic Preparedness			<u>2,283,578</u>
 Department of Housing & Urban Development			
<i>Passed Through State of New Mexico:</i>			
<i>Department of Finance and Administration</i>			
CDBG - ECCAC	05-CNR-1-3-G-34	14.228	<u>536,409</u>
Total Federal Financial Assistance			<u>\$ 3,419,793</u>
(1) Denotes Major Federal Financial Assistance Program			

The 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.

See Independent Auditor's Report.

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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. No significant deficiencies were disclosed during the audit of the financial statements.
3. There were three instances of noncompliance required to be reported under GAS disclosed during the audit.
4. There were no reportable conditions disclosed during the audit of the major federal award programs. There were four matters disclosed that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, Section 12-6-5, NMSA 1978.
5. The auditor's report on compliance for the major federal award programs for Eddy County, New Mexico, expresses an unqualified opinion.
6. The programs tested as major were the HIDTA - 16.579, DSCI Grant - 16.579, Region VI - Justice Assistance Grant - 16.579, Equipment Grant - 97.004, EMPG Grant - 97.004, EMPB Grant - 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.

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B. FINDINGS - FINANCIAL STATEMENT AUDIT

2005-1: Designated Cash Exceeded

Condition

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

Region VI Task Force Special Revenue Fund	\$	2,729
Legislative Appropriations Capital Projects Fund		600,548

Criteria

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

Effect

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

Cause

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

Recommendation

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

Agency Response

County management recognizes the importance of budget monitoring. The exceeded budgetary expenditures are viewed as an apparent oversight, and management will put forth greater efforts to ensure that such oversights do occur in the future.

B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)

2006-4: Inadequate Payroll Reconciliations

Condition

Payroll system reports are not being reconciled to Form 941 tax returns and to the general ledger.

Criteria

Good accounting practices indicate that the County should establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

Effect

The County's books or records may be at risk of containing material misstatements, as errors may occur and not be detected within a timely manner. The County may be incorrectly reporting wages and taxes to the Internal Revenue Service.

Cause

A lack of employee training and expertise, a lack of diligence in performing, and a lack of proper supervision of the reconciliation process seems to be responsible for the problems in this area.

Recommendation

The inadequate reconciliation process needs to be improved and the process needs to be properly supervised. Employees need proper training and direction regarding the verification and reconciliation of payroll reporting and posting to the general ledger. The County should determine whether its financial systems are properly integrated.

Agency Response

The County will seek assistance from its software supplier to assist it in identifying the reconciling items indicative to these reports. In addition, the County will ensure periodic reconciliations of the payroll reports, general ledger, and 941 forms.

B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)

2006-5: Payroll and Personnel Files

Condition

During our process of gaining an understanding of the County's controls over the payroll process and our testing of payroll, we noted the following:

- One employee I-9 form out of fifteen was not signed by the employee.
- Payroll is not subject to final approval by an employee who is independent of payroll preparation and timekeeping.

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.

Effect

The County is at risk of being fined for not complying with governing regulations. Additionally, the County is unnecessarily exposed to risk that errors, whether intentional or unintentional, may occur and not be detected in the payroll process.

Cause

The County is not maintaining adequate controls over the payroll process and is not properly supervising the completion of I-9 forms.

Recommendation

We suggest the County review employee files to ensure that I-9s have been properly completed. We recommend the County improve its controls over payroll, with an emphasis on independent supervision and approval. In addition, we recommend that payroll clerks who move out of that position be restricted from accessing the payroll system.

Agency Response

Periodically, the County will review employee files to ensure that I-9s forms are properly completed.

B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)

2007-1: Preparation of Financial Statements

Condition

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

Criteria

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

Effect

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

Cause

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

Recommendation

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

The training should include, but not be limited to:

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

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

Agency Response

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

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B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)

2007-2: Travel and Per Diem

Condition

During our testing of travel and per diem reimbursements, we examined a payment made to an employee to reimburse his cost of purchasing a gift certificate for a retiring employee.

Criteria

Section 2.42.2 NMAC provides for the reimbursement of meals and travel expenses.

Effect

The County expended funds in violation of anti-donation regulations.

Cause

The improper payment was made because of inadequate supervision and approval of the disbursement activity.

Recommendation

We recommend the County provide training regarding allowable expenses that can be reimbursed and that it improve its supervision of the disbursement approval process. Only meals and travel expenses should be recorded in the corresponding accounts.

Agency Response

The County will review the anti-donation regulations with the Purchasing Department to ensure this situation does not arise in the future.

2007-3: Bank Deposits Under-Collateralized

Condition

During our examination of cash accounts, we noted that \$153,104 on deposit at Pioneer Bank was not insured and was not collateralized as required in the amount of \$76,552.

Criteria

Pursuant to Section 6-10-36 NMSA 1978, government agencies shall require pledged collateral for all cash and investments.

Effect

The County's cash assets are at risk of loss to a greater degree than is allowed.

Cause

Neither the County nor the institution had proper procedures to detect total deposits exceeding the insured thresholds and therefore adequate securities were not provided as collateral.

Recommendation

We recommend the County improve its monitoring of cash accounts by institution in order to detect the need for collateralization.

Agency Response

The Treasurer will better monitor the cash accounts at financial institutions to ensure that all accounts are properly collateralized.

B. FINDINGS - FINANCIAL STATEMENT AUDIT (continued)

2007-4: Capital Assets Capitalization Threshold

Condition

Capital Assets are being capitalized at a threshold of \$1,000.

Criteria

The Audit Act (12-6-10, NMSA 1978) requires agencies to capitalize only chattels and equipment that cost over \$5,000. All agencies should update their capitalization policies in accordance with the law.

Effect

The County has failed to comply with the State mandated capitalization threshold. In addition to being a violation of the Audit Act, this in turn causes the County capital assets to lose comparability with similar agencies within the state.

Cause

The County has elected to continue to capitalize acquisitions of capital assets under their internal capitalization policy. Capital assets have been defined by the County 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

Recommendation

We advise the County to modify its capitalization policy to reflect the State mandated capitalization threshold. We advise the County to maintain a separate accountability report for those items that cost \$5,000 or less, for asset safeguarding and management purposes.

Agency Response

Eddy County has revised it's purchasing policy as of August, 2008 to reflect a change in the capitalization threshold to \$5,000.

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C. FINDINGS - FEDERAL AWARDS

None.

D. STATUS OF PRIOR YEAR FINDINGS

2005-1: Budgeting – modified and repeated

2006-2: Capital Assets and Infrastructure – resolved

2006-3: Reconciliation of Tax Rolls by Agency – resolved

2006-4: Payroll Tax Reporting – modified and repeated

2006-5: I-9 Compliance – modified and repeated

2006-6: Cash Reconciliation – resolved

2006-7: Information Technology (IT) Issues – resolved

2006-8: Grant Reporting and Reimbursement Administration – resolved

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EXIT CONFERENCE

The contents of this report were discussed on November 15, 2007. The following individuals were in attendance.

Eddy County Officials

Steve Massey, County Manager
Debbie Penaluna, Finance Director
Jack Volpato, Commissioner

Auditor

S. John Manganaro, CPA

FINANCIAL STATEMENT PREPARATION

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