

**Mesilla Valley Regional
Dispatch Authority**

FINANCIAL STATEMENTS

For the Year Ended June 30, 2019



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RIGGS &
INGRAM

CPAs and Advisors

CRICpa.com

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**Mesilla Valley Regional Dispatch Authority
Official Roster
June 30, 2019**

The Board of Directors, none of whom are employed by Mesilla Valley Regional Dispatch Authority, for the year ended June 30, 2019, are:

<u>Name</u>	<u>Title</u>
Javier Perea	Chair
Diana Trujillo	Vice-Chairman
Marc Lopez	Board Member
Greg Smith	Board Member
Fernando F. Macias	Board Member
Eric Enriquez	Board Member
Nicholas Hempel	Board Member
James "Trey" Gimler	Board Member
Kevin Hoban	Board Member
Patrick Gallagher	Board Member
Kim Stewart	Board Member
Isabella Solis	Board Member
William "Bill" Studer	Board Member

Financial Section

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
To the Board of Directors
Mesilla Valley Regional Dispatch Authority
Las Cruces, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund, and the budgetary comparison for the general fund of the Mesilla Valley Regional Dispatch Authority ("MVRDA") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise MVRDA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the budgetary comparison for the general fund of MVRDA as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of MVRDA are intended to present the financial position and the changes in financial position of only the Mesilla Valley Regional Dispatch Authority. They do not purport to, and do not, present fairly the financial position of the City of Las Cruces, as of June 30, 2019, the changes in its financial position for the year then ended in conformity in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 18, the GASB Supplementary Pension Schedules on pages 46 through 49, the GASB Required OPEB Schedules on pages 50 through 51, and the notes to the required supplementary information on page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MVRDA's basic financial statements. The introductory section, the schedule of pledged collateral, the schedule of deposit accounts and investments, the schedule of joint powers agreements, and other disclosures are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of pledged collateral, the schedule of deposit accounts and investments, and the schedule of joint powers agreements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of pledged collateral, the schedule of deposit accounts and investments, and the schedule of joint powers agreements are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, on our consideration of MVRDA'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 solely 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 effectiveness of the MVRDA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MVRDA's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, NM
December 2, 2019

Mesilla Valley Regional Dispatch Authority Management's Discussion and Analysis For the Year Ended June 30, 2019

This Management's Discussion and Analysis presents an overview of the Mesilla Valley Regional Dispatch Authority's ("MVRDA") financial performance during the fiscal year ended June 30, 2019. It is intended to be read in conjunction with MVRDA's financial statements, which follow this section.

MVRDA operates under a joint powers agreement between the City of Las Cruces, Dona Ana County, Town of Mesilla, Village of Hatch, City of Sunland Park, and City of Anthony, New Mexico. The primary mission of MVRDA is to provide dispatch and emergency communications functions for all emergency response agencies in the City of Las Cruces and Dona Ana County. In addition, MVRDA provides necessary National Crime Information Center data to all officers requesting such assistance and possesses the statutory authority to do so. In the event of a natural or man-made disaster, MVRDA will perform in the role of the emergency communications network for disaster response, relief, and recovery.

The Board of Directors and its management value fiscal and programmatic accountability. MVRDA is the steward of contributions from participating governments and operates as a governmental fund.

Overview of Financial Statements

This annual report consists of the following:

1. Management's discussion and analysis.
2. Basic financial statements.
3. Notes to the basic financial statements.
4. Supplementary information.

The basic financial statements combine the organization-wide and fund financial statements. These statements present different views of the organization.

The statement of net position and the statement of activities are organization-wide financial statements that provide information about MVRDA's overall financial status. The organization-wide financial statements are designed to provide readers with a broad overview of MVRDA's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of MVRDA's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the organization is improving or deteriorating.



Mesilla Valley Regional Dispatch Authority Management's Discussion and Analysis For the Year Ended June 30, 2019

The statement of activities presents information showing how MVRDA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items. For example, accrued vacation leave will only result in cash flows in future fiscal periods.

MVRDA's basic services are reported in the general fund, which focuses on how cash and other financial assets flow, and the balances remaining at year-end that are available for spending. Consequently, the general fund provides a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance MVRDA's programs.

The financial statements also include notes that explain some of the information in the financial statements and provide more detail. The statements are followed by a section of supplementary information.

Fiscal Agent

The City of Las Cruces (CLC) is the fiscal agent for MVRDA. As fiscal agent, the City establishes funds to control and manage money for a particular purpose, or in order to demonstrate that it is meeting legal responsibilities for the use of monies.

Financial Analysis of Mesilla Valley Regional Dispatch Authority as a Whole

Net Position—Governmental net position increased to \$(1,554,327) at June 30, 2019, from \$(1,664,498) at June 30, 2018. Revenues exceeded actual expenses resulting in a change in net position of \$110,171 for fiscal year 2019.

The increase in net position is due primarily to net pension liability and its related inflows and outflows. The overall financial position is strong when comparing current assets against current liabilities but shows a greater need for increased assets to offset these long-term liabilities.

The General Fund shows a \$188,334 decrease in fund balance for the year ended June 30, 2019. This is due to an increase in salaries and benefits.

**Mesilla Valley Regional Dispatch Authority
Management's Discussion and Analysis
For the Year Ended June 30, 2019**

Table 1 summarizes the net position of governmental activities.

**Table 1
Net Position
As of June 30, 2019**

	2019	2018
Assets		
Current assets	\$ 1,640,158	\$ 1,472,669
Capital assets, net	803,865	365,976
Total assets	2,444,023	1,838,645
Deferred outflows related to pensions	489,277	505,346
Deferred outflows related to OPEB	38,696	34,433
Total assets and deferred outflows of resources	\$ 2,971,996	\$ 2,378,424
Liabilities		
Current liabilities	\$ 489,721	\$ 133,898
Net pension liability	1,765,309	1,529,862
Net OPEB liability	1,679,498	1,791,595
Total liabilities	3,934,528	3,455,355
Deferred inflows related to pensions	116,421	179,804
Deferred inflows related to OPEB	475,374	407,763
Total liabilities and deferred inflows of resources	591,795	4,042,922
Net position		
Net investment in capital assets	803,865	365,976
Unrestricted (deficit)	(2,358,192)	(2,030,474)
Total net position	(1,554,327)	(1,664,498)
Total liabilities, deferred inflows of resources, and net position	\$ 2,971,996	\$ 2,378,424

**Mesilla Valley Regional Dispatch Authority
Management's Discussion and Analysis
For the Year Ended June 30, 2019**

Changes in Net Position—Total revenues for the year ended June 30, 2019, were \$4,207,728 compared with expenses of \$4,097,557. Table 2 summarizes the changes in net position for 2019 and 2018, respectively.

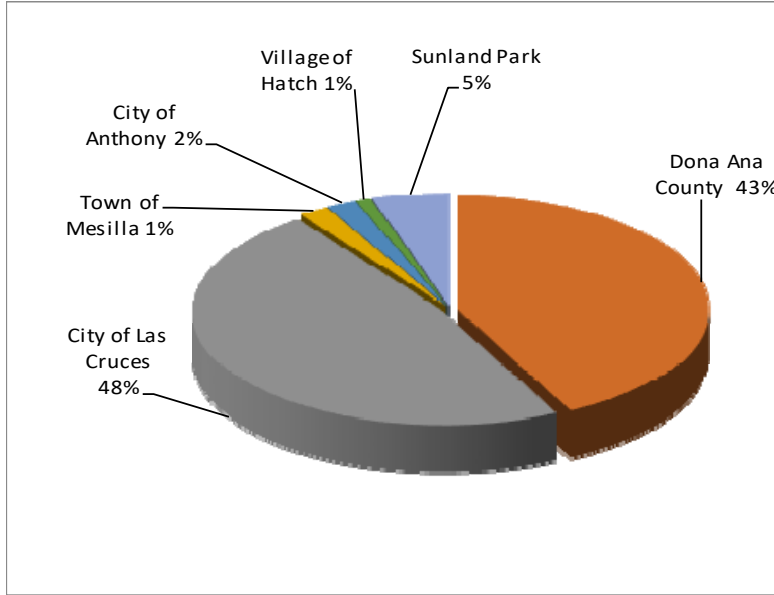
**Table 2
Changes in Net Position
For the Year Ended June 30, 2019**

	2019	2018
Revenues		
Program revenues:		
Charges for services	\$ 3,846,871	\$ 3,614,955
Operating grants	35,897	-
General revenues:		
Other income	243,016	261,518
Investment income (loss)	81,944	(4,655)
Total revenues	4,207,728	3,871,818
Expenses - public safety	4,097,557	3,886,176
Change in net position	110,171	(14,358)
Net position, beginning of year, as originally stated	(1,664,498)	477,989
Restatement for other post employment benefits cost	-	(2,128,129)
Net position, beginning of year, as restated	(1,664,498)	(1,650,140)
Net position, end of year	\$ (1,554,327)	\$ (1,664,498)

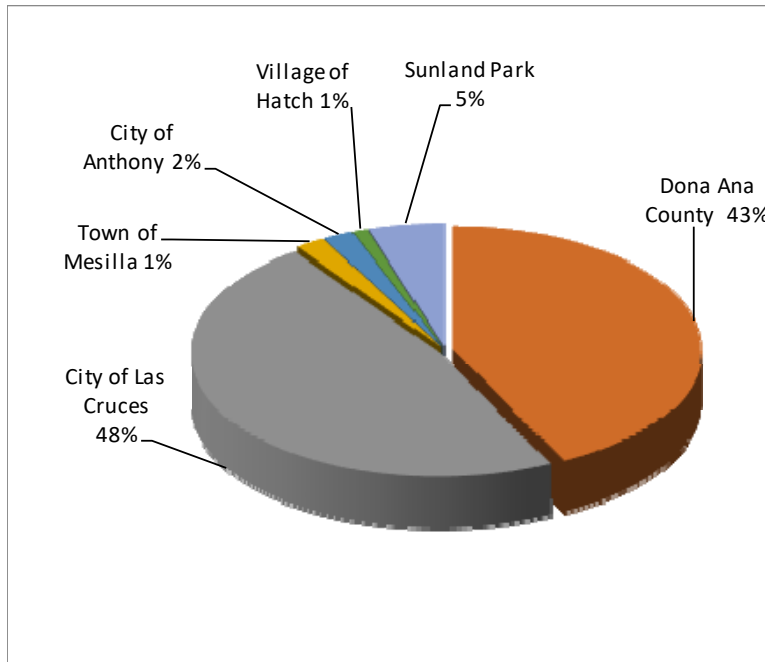
Mesilla Valley Regional Dispatch Authority Management's Discussion and Analysis For the Year Ended June 30, 2019

Charts 1 and 2 shows the revenues by source for fiscal years 2019 and 2018, respectively.

**Chart 1
MVRDA Revenues by Source—2019**



**Chart 2
MVRDA Revenues by Source – 2018**



**Mesilla Valley Regional Dispatch Authority
Management's Discussion and Analysis
For the Year Ended June 30, 2019**

Budgetary Information—The board of directors approves the annual budget and, when necessary, revisions to the existing budget. MVRDA makes every effort to ensure operational expenditures do not exceed funds available.

The Board adopts a budget for the general fund. Budgetary information is presented in the basic financial statements. Table 3 summarizes the variance between the budgeted and actual revenue and expenditures for the year ended June 30, 2019.

**Table 3
General Fund Budgetary Comparison
For the Year Ended June 30, 2019**

	Budget		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 3,614,956	\$ 3,851,902	\$ 3,846,871	\$ (5,031)
Operating grants	20,000	20,000	35,897	15,897
Investment income	-	-	81,944	81,944
General revenues (loss)	145,449	157,608	243,016	85,408
Total revenue	3,780,405	4,029,510	4,207,728	178,218
Expenditures				
Operations	4,604,510	4,604,510	4,396,062	208,448
Total expenditures	4,604,510	4,604,510	4,396,062	208,448
Revenues over (under) expenditures	\$ (824,105)	\$ (575,000)	\$ (188,334)	\$ 386,666

In fiscal year 2019 the difference between the final revenue budget and the actual revenue of \$178,218 is primarily the result of more revenue being generated for Alarm Fees than had been estimated in the budget. The differences between the final expenditures budget and the actual expenditures of \$208,448 are the result of efforts to control expenditures throughout the year.

**Mesilla Valley Regional Dispatch Authority
Management’s Discussion and Analysis
For the Year Ended June 30, 2019**

Capital Assets

Capital Assets—As of June 30, 2019, the organization’s capital assets totaled \$803,865 net of accumulated depreciation of \$392,965. As of June 30, 2018, the organization’s capital assets totaled \$365,976 net of accumulated depreciation of \$334,411. Major capital assets activity for the year included \$496,443 in additions and \$0 of fully depreciated asset deletions.

**Table 4
Capital Assets and
Accumulated Depreciation
For the Year Ended June 30, 2019**

	2019	2018
Construction in progress	\$ 496,443	\$ -
Equipment	700,387	700,387
Accumulated depreciation	(392,965)	(334,411)
Capital assets, net	\$ 803,865	\$ 365,976

During fiscal year 2019, MVRDA purchased \$496,443 in construction in progress for the mini microwave tower replacement, including antennas and waveguide. No commitments have been made for future capital expenditures.

Economic Outlook

The 2019 economic outlook of the City of Las Cruces shows mixed economic conditions with low growth anticipated in the future.

Since the Great Recession, the City of Las Cruces has undergone a long, slow growth. The industry structure of Las Cruces which is reliant on government, health care, and education provides relative stability in Las Cruces economy, however although these sectors are stable, they are not expected to grow much. There are no expected growth scenarios without significant changes to the structure of the Las Cruces economy.

The seasonally adjusted preliminary unemployment rate figures for the City of Las Cruces in February 2019 was 4.7%, which is below the State of New Mexico with a rate of 5.1%, but above the nation at 3.8%.

The U.S. Census Bureau reports median household income for the City of Las Cruces in 2017 at \$40,924. In comparison, the state of New Mexico has a household income of \$46,718 for 2017, a difference of \$5,794 between the State and the City’s median household income. However, even though the City has a smaller median household income than the State, the trend has been positive overall since 2010, but decreasing since 2015. In 2015 the median household income in the City was \$41,330 which means that median household income has decreased \$406 in 2 years, but it has increased \$2,533 since 2010.

Mesilla Valley Regional Dispatch Authority Management's Discussion and Analysis For the Year Ended June 30, 2019

Median listing home prices have been increasing since June 2017. The median listing home prices according to the three websites are: \$190,500, \$185,000, and \$196,675 for Zillow.com, Trulia.com, and Realtor.com respectively in February 2019. It is important to point out that even though there is an upward trend in home prices, there are steep fluctuations in median listing prices of homes in the City of Las Cruces.

The new business registrations data indicates a downward tendency in new business registrations. In February 2019, there were 30 new business registrations, which is below the 2010-2018 average for February at 58. Business registration renewals indicate that on February 2019, 173 business renewed their registrations with the City. This is smaller than the 2018 figures for the same month by 95.

AUTHOR:

DR. FRANCISCO PALLARES, ECONOMIST

Source: City of Las Cruces Economic Development Department. Dr. Francisco Pallares, Economist, works under the Economic Development Department.

Source: US Bureau of Economic Analysis

Source: US Bureau of Labor Statistics

Source: US Census Bureau ACS 5 Year Estimates

Source: Zillow.com, Trulia.com, Realtor.com

Source: City of Las Cruces Community Development Department

Contacting the Financial Management

The financial report is designed to provide the community and others with a general overview of the MVRDA's finances and demonstrate the organization's accountability for the money it receives. Questions about this report or requests for additional information may be addressed to the Chair of the MVRDA Board at:

Mesilla Valley Regional Dispatch Authority
845 N. Motel Blvd
Las Cruces, NM 88007
(575) 525-5810

Basic Financial Statements

Mesilla Valley Regional Dispatch Authority
General Fund Balance Sheet and Statement of Net Position
June 30, 2019

	General Fund	Adjustments (Note 9)	Governmental Activities Statement of Net Position
Assets			
Current assets			
Cash and cash equivalents	\$ 1,495,564	\$ -	\$ 1,495,564
Accounts receivable	19,635	-	19,635
Due from other governments	124,959	-	124,959
Total current assets	1,640,158	-	1,640,158
Capital assets			
Equipment, net	-	803,865	803,865
Total assets	1,640,158	803,865	2,444,023
Deferred outflows of resources			
Deferred outflows related to pensions	-	489,277	489,277
Deferred outflows related to OPEB	-	38,696	38,696
Total deferred outflows of resources	-	527,973	527,973
Total assets and deferred outflows of resources	\$ 1,640,158	\$ 1,331,838	\$ 2,971,996

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

	General Fund	Adjustments (Note 9)	Governmental Activities Statement of Net Position
Liabilities			
Current liabilities			
Accounts payable	\$ 339,921	\$ -	\$ 339,921
Accrued payroll liabilities	149,800	-	149,800
Total current liabilities	489,721	-	489,721
Long-term liabilities			
Net pension liability	-	1,765,309	1,765,309
Net OPEB Liability	-	1,679,498	1,679,498
Total long-term liabilities	-	3,444,807	3,444,807
Total liabilities	489,721	3,444,807	3,934,528
Deferred inflows of resources			
Deferred inflows related to pensions	-	116,421	116,421
Deferred inflows related to OPEB	-	475,374	475,374
Total deferred inflows of resources	-	591,795	591,795
Fund balance/net position			
Fund balance			
Unassigned	1,150,437	(1,150,437)	-
Total liabilities and fund balance	\$ 1,640,158	2,886,165	4,526,323
Net position			
Net investment in capital assets		803,865	803,865
Unrestricted (deficit)		(2,358,192)	(2,358,192)
Total net position		(1,554,327)	(1,554,327)
Total liabilities deferred inflows, and net position		\$ 1,331,838	\$ 2,971,996

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

Mesilla Valley Regional Dispatch Authority
General Fund Statement of Revenues, Expenditures, and Changes in
Fund Balance and Statement of Activities
For the Year Ended June 30, 2019

	General Fund	Adjustments (Note 9)	Governmental Activities Statement of Activities
Revenues			
Program revenues			
Charges for services	\$ 3,846,871	\$ -	\$ 3,846,871
Operating grants	35,897	-	35,897
General revenues			
Other income	243,016	-	243,016
Investment (loss)	81,944	-	81,944
Total revenues	4,207,728	-	4,207,728
Expenditures/expenses			
Current			
Public safety			
Salaries and benefits	3,272,963	(36,672)	3,236,291
Telephone	56,989	-	56,989
Insurance	60,397	-	60,397
Repairs and maintenance	351,592	-	351,592
Supplies	80,652	-	80,652
Travel	20,335	-	20,335
Services	33,110	-	33,110
Pension	-	188,133	188,133
Other Post Employment Benefits	-	(12,077)	(12,077)
Other	23,581	-	23,581
Depreciation	-	58,554	58,554
Capital outlay	496,443	(496,443)	-
Total expenditures/expenses	4,396,062	(298,505)	4,097,557
Revenues over (under) expenditures	(188,334)	298,505	110,171
Change in fund balance/net position	(188,334)	298,505	110,171
Fund balance/net position, beginning of year	1,338,771	(3,003,269)	(1,664,498)
Fund balance/net position, end of year	\$ 1,150,437	\$ (2,704,764)	\$ (1,554,327)

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

**Mesilla Valley Regional Dispatch Authority
General Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 3,614,956	\$ 3,851,902	\$ 3,846,871	\$ (5,031)
Operating grants	20,000	20,000	35,897	15,897
General revenues	145,449	157,608	243,016	85,408
Investment income (loss)	-	-	81,944	81,944
Total revenues	3,780,405	4,029,510	4,207,728	178,218
Expenditures				
Current				
Public safety				
Salaries and benefits	3,226,289	3,227,009	3,272,963	(45,954)
Telephone	75,000	74,280	56,989	17,291
Insurance	87,000	87,000	60,397	26,603
Repairs and maintenance	385,360	388,261	351,592	36,669
Supplies	101,000	98,044	80,652	17,392
Travel	31,500	31,500	20,335	11,165
Services	62,361	62,416	33,110	29,306
Other	31,000	31,000	23,581	7,419
Capital outlay	605,000	605,000	496,443	108,557
Total expenditures	4,604,510	4,604,510	4,396,062	208,448
Revenues over (under) expenditures	(824,105)	(575,000)	(188,334)	386,666
Change in fund balance	(824,105)	(575,000)	(188,334)	386,666
Fund balance, beginning of year	1,338,771	1,338,771	1,338,771	-
Fund balance, end of the year	\$ 514,666	\$ 763,771	\$ 1,150,437	\$ 386,666

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

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Mesilla Valley Regional Dispatch Authority (“MVRDA”) was formed through a Joint Powers Agreement (“JPA”) between the City of Las Cruces (the “City”), Dona Ana County (the “County”), the Village of Hatch, the Town of Mesilla, the City of Sunland Park, and the City of Anthony. The JPA provides for a governing board for MVRDA. MVRDA is governed by a board that consists of thirteen members including an elected official of the City of Las Cruces, appointed by the City Council; a member of the Dona Ana County Board of Commissioners, appointed by the Commission; the City of Las Cruces Manager; the Dona Ana County Manager; the City of Las Cruces Police Chief; the Dona Ana County Sheriff; the City of Las Cruces Fire Chief; the Dona Ana County Fire Chief; one member appointed by the Board of Trustees for the Town of Mesilla; one member appointed by the Board of Trustees for the Village of Hatch; one member appointed by the City Council for the City of Sunland Park; one member appointed by the City Council for the City of Anthony; and one member shall be appointed by a majority vote of the MVRDA Board.

The JPA outlines financial contributions of all members of the JPA. The amount of contributions to the MVRDA budget for Mesilla, Hatch, Sunland Park, and Anthony shall be determined by the MVRDA Board on an annual basis as part of the process for a budget proposal to the City of Las Cruces and Dona Ana County. The contributions shall be based on the number of calls expected for response within Mesilla, Hatch, Sunland Park, and Anthony, and not based upon a percentage of the MVRDA budget. The remaining contribution requirements are assessed to the City of Las Cruces and Dona Ana County via a 53%, 47% split respectively. The JPA provides that if the agreement is terminated, all real or personal property contributed by the parties shall be returned to the respective party that contributed such property and any surplus real or personal property or any surplus money accrued by MVRDA pursuant to the JPA shall be returned to the City of Las Cruces, Dona Ana County, Hatch, Mesilla, Sunland Park, and Anthony, in proportion to the most recent budgetary contribution percentages applicable.

MVRDA is established to operate a combined communications center to dispatch and coordinate the emergency response departments for police, fire, and emergency medical services for the City-County area.

The responsibility for the financial statements rests with the MVRDA Board. MVRDA does not have any component units.

The City of Las Cruces is the fiscal agent for MVRDA, and accounts for its resources as agency funds.

MVRDA had no tax abatements requiring separate disclosure under GASB Statement No. 77.

Basis of Presentation, Measurement Focus, and Basis of Accounting

Government-Wide Financial Statements—The governmental-wide financial statements include the statement of net position and statement of activities. These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund Financial Statements—The general fund finances all functions of MVRDA. The acquisition, use and balances of MVRDA's expendable financial resources, and the related liabilities are accounted for in the general fund. The general fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. MVRDA considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the general fund.

Cash and Cash Equivalents

MVRDA participates in a pool of cash and investments with the Treasurer of the City of Las Cruces. All pooled cash and investments are fully insured or collateralized. Amounts are immediately available to MVRDA and are therefore considered cash equivalents.

Capital Assets

Capital assets are recorded at cost or, in the case of donated assets, at their acquisition value at the date of receipt and are depreciated over the estimated useful lives of the related assets. The initial purchase of software meeting MVRDA's capital asset definition is capitalized; however, periodic costs for software upgrades are not capitalized due to the rapid change in technology. Depreciation for equipment is computed using the straight-line method over estimated useful lives of three to ten years. MVRDA capitalizes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year.

Accrued Expenses

Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2019, along with applicable PERA, Retiree Health Care, Social Security Taxes, and Medicare payable.

Accounts Payable

The liability for account payables consists of unpaid amounts due to vendors.

Nonexchange Transactions

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

Use of 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 the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

MVRDA's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), using an estimate of anticipated revenues and expenditures. New Mexico State law prohibits MVRDA from making an expenditure in excess of approved appropriations. The legal level of budgetary control is at the fund level. If a fund is not overspent, it is in compliance with state law. The budget may be amended by MVRDA's Board; however, approval of the State of New Mexico Department of Finance and Administration must be obtained for budget increases.

Fund Balance Policy

Prior to fiscal year 2012, MVRDA reported the governmental fund balances as reserved and unreserved. Effective in fiscal year 2011, MVRDA has implemented GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions, and reports the governmental fund balances in one category:

Unassigned fund balance—is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Unassigned Fund Balance is only reported in the General Fund.

Net Position

Net position of MVRDA are classified and displayed as three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of funds with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net funds that do not meet the definition of "net investment in capital assets" or "restricted".

Where there are expenditures for purposes for which both restricted and unrestricted net position are available it is the intent of MVRDA to first expend restricted funds. However, MVRDA has not had any reported restricted funds in more than 5 years.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association ("PERA") and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (“RHCA”) and additions to/deductions from RHCA’s fiduciary net position have been determined on the same basis as they are reported by RHCA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

Change in Accounting Principle

For the year ended June 30, 2019, MVRDA implemented the provisions of GASB Statement No. 88, *Certain Discourses Related to Debt, including Direct Borrowing and Direct Placement* and GASB Statement No. 83, *Certain Asset Retirement Obligation*. These Statements were required to be implemented as of June 15, 2018. These statements did not materially impact MVRDA’s financial statements.

New Accounting Pronouncements

The following accounting pronouncements have been recently issued, but not yet adopted by MVRDA. Management anticipates that, upon adoption by MVRDA, none of these statements will have a significant impact on MVRDA’s financial position or results of operations. Pronouncements that are not applicable have been omitted.

- ◆ Statement No. 84: *Fiduciary Activities*, which will impact MVRDA
- ◆ Statement No. 87: *Leases*
- ◆ Statement No. 89: *Accounting for Interest Cost Incurred before the End of a Construction Period*
- ◆ Statement No. 90: *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*
- ◆ Statement No. 91: *Conduit Debt Obligations*

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 2: POOLED CASH AND INVESTMENTS

MVRDA participates in a pool of cash and investments maintained by the Treasurer of the City of Las Cruces. Pooled cash and investments are reported at fair value.

MVRDA's share of the City's cash and investment pool at June 30, 2019, is \$1,495,564.

At June 30, 2019, the City's cash and investment pool consist of the following:

	Pooled Cash & Investments
Carrying amount of bank deposits	\$ 9,592,017
Investments at fair value	159,093,603
Accrued interest	668,161
Total cash and investment pool	\$ 169,353,781

Bank Balance of Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's investment ordinance requires collateralization of 100% of the uninsured portion of the City's deposits with financial institutions. Securities pledged by financial institutions are accepted at market value, except obligations of the State of New Mexico and its subdivisions, which are accepted at par value. As of June 30, 2019, the City's deposits, totaling \$14,012,345, was insured by FDIC or collateralized by a letter of credit with FHLB CINCINNATI valued at \$25,000,000 and thus was not exposed to custodial credit risk.

Investments

The City's investment policy allows investment in: a) U.S. Treasury obligations; b) U.S. government agency and instrumentality obligations; c) repurchase agreements whose underlying securities and/or collateral consist of allowed investments described in (a) or (b) above; d) accounts of deposit at federally-insured financial institutions; e) pooled funds maintained by the State Treasurer; and f) mutual funds whose portfolios consist solely of allowed investments.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 2: POOLED CASH AND INVESTMENTS (Continued)

As of June 30, 2019, the City's investment pool had the following investments:

Investment Type	Fair Value	Weighted Avg Maturity (Yrs.)
U.S. agency coupon bonds	\$ 152,748,895	9.01
U.S. Treasury Bills	5,343,636	0.21
Negotiable CDs	1,001,072	0.79
Total pooled investments	\$ 159,093,603	

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investment pool includes step-up coupon securities that total \$114,702,875 issued by U.S. government agencies that are callable by the issuer under certain circumstances. For purposes of calculating weighted average maturity, the City uses years to maturity.

Credit Risk. The City's investment policy lists the criteria for selecting investments and the order of priority as follows: 1) safety; 2) liquidity; and 3) yield. As of June 30, 2019, the City's investments in coupon bonds of U.S. agencies were rated AA+ or better by Standard & Poor's and Aaa by Moody's Investors Service. The City's money market fund investments were rated AAA by Standard & Poor's and/or Aaa by Moody's. The external investment pools of the NM State Investment Council are not rated.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities held in street name with a broker or dealer be insured, and that all other securities be held by the City or a third-party safekeeping financial institution acting as trustee for the City. As of June 30, 2019, all of the City's securities are held by a third-party financial institution in the City's name.

Concentration of Credit Risk. The City's formal investment policy places no limit on the amount the City may invest in any one issuer. As of June 30, 2019, 35% of the City's investment pool was in Fannie Mae (FNMA), 29% was in Federal Home Loan Mortgage Corporation (FHLMC), 27% in Federal Home Loan Bank (FHLB), 5% was in Federal Farm Credit Bank (FFCB), 3% was in U.S. Treasuries and 1% was in Certificates of Deposits. Of the Telshor Fund, 33% was in FHLB and 41% was in FFCB, 11% was in FNMA, 6% was in FAMC and 9% was in U.S. Treasuries. Of the Water and Wastewater Funds portfolio, 100% was in FHLB. Of the Gas Funds portfolio, 100% was in FHLB. Of the TIDD Funds portfolio, 100% was in FNMA. Of the Debt Service Fund portfolio 100% was FHLB. Of the Capital Projects, 26% was in FHLB, 15% was in FHLMC and 59% was in U.S. Treasuries.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 2: POOLED CASH AND INVESTMENTS (Continued)

Fair Market Value Hierarchy. The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The valuation method for recurring fair value measurements of investments is the market approach.

The City has the following recurring fair value measurements as of June 30, 2019:

Investment Type	Level 1		Level 2	
New Mexico state investment councils pool	\$	17,656,116	\$	5,144,744
U.S. agency securities		11,807,729		185,086,310
U.S. treasury securities		22,305,569		-
Negotiable CDs		-		1,001,074
Total pooled investments	\$	51,769,414	\$	191,232,128

NOTE 3: DUE FROM OTHER GOVERNMENTS

MVRDA obtains funding from several governmental agencies including the New Mexico Department of Finance and Administration, the Village of Hatch, the County of Dona Ana, the Town of Mesilla, City of Sunland Park, City of Anthony and the City of Las Cruces. At June 30, 2019, the amounts receivable from these entities which are as follows:

Due from local governments	\$	124,959
Total	\$	124,959

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balances				Balances	
	June 30, 2018		Additions	Retirements	June 30, 2019	
Construction in progress	\$	-	\$ 496,443	\$ -	\$	496,443
Equipment		700,387	-	-		700,387
Less accumulated depreciation		(334,411)	(58,554)	-		(392,965)
Capital assets, net	\$	365,976	\$ 437,889	\$ -	\$	803,865

Depreciation expense was charged to Public Safety, totaling \$58,554 for the year ended June 30, 2019.

NOTE 5: JOINT POWERS AGREEMENT

In accordance with the JPA, financial contribution amounts are required from the City of Las Cruces and the County of Dona Ana. In-kind services are also provided under this agreement, such as fiscal agent services provided by the City and facilities services provided by Dona Ana County. According to the JPA, the City shall contribute fifty-three percent (53%) and the County of Dona Ana shall contribute forty-seven percent (47%) of the total operating budget of MVRDA for each fiscal year, excluding amounts covered by other revenue sources.

The amount of contributions to the MVRDA budget from the Village of Hatch, the City of Sunland Park, and the Town of Mesilla are determined by the MVRDA Board on an annual basis. The contributions are based on the number of calls expected for responses within Hatch, Sunland Park, Anthony and Mesilla, and are not based upon a percentage of the MVRDA budget.

During fiscal year 2019, operating contributions include \$1,854,643 from the City, \$1,644,683 from the County, \$40,203 from Hatch, \$177,959 from Sunland Park, \$77,565 from the City of Anthony, and \$51,818 from Mesilla.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

General Information about the Pension Plan

MVRDA, for the purposes of Employee Retirement, are included in the City's pension liability as reported by the Public Employees Retirement Fund ("PERA Fund") and MVRDA's share is proportionate to the City of Las Cruces ("City").

Public Employees Retirement Fund

The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

Benefits provided

For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2018 available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

Contributions

The contribution requirements of defined benefit plan members and MVRDA are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY18 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 43 of the PERA FY18 annual audit report at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

The PERA coverage options that apply to MVRDA are 1.14% of the City's proportionate share. Statutorily required contributions to the pension plan from MVRDA were \$135,254 and employer paid member benefits that were "picked up" by the employer were \$88,570 for the year ended June 30, 2019.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2018. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2017, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2018. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. MVRDA's proportion of the net pension liability was based on a projection of MVRDA's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

For MVRDA at June 30, 2019, a liability of \$1,765,309 was recorded for its proportionate share of the City's net pension liability. At June 30, 2019, the MVRDA's proportion share was 1.14% of the City's proportionate share, which was higher from its proportion measured as of June 30, 2018.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For the year ended June 30, 2019, MVRDA recognized PERA pension expense of \$206,409. At June 30, 2019 MVRDA amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 165,362	\$ 9,266
Differences between expected and actual experience	52,714	96,883
Net difference between projected and actual earnings on pension plan investments	135,269	-
Changes in proportion and differences between MVRDA's contributions and proportionate share of contributions	678	10,272
Contributions subsequent to the measurement date	135,254	-
Total	\$ 489,277	\$ 116,421

Deferred outflows of resources of \$135,254 related to pensions resulting from MVRDA'S contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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

Year ended June 30:		
2020	\$	149,685
2021		52,910
2022		29,360
2023		5,647
	\$	<u>237,602</u>

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Actuarial assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement date:

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Actuarial period	Solved for based on statutory rates
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return, net	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50% annual rate first 9 years, 2.75% all other years
Mortality assumptions	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 actuarial valuation.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.50%	7.48%
Risk Reduction & Mitigation	21.50%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to include Real Estate Equity	20.00%	6.48%
Total	100.0%	

Discount rate

A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Sensitivity of the MVRDA’s proportionate share of the City’s net pension liability to changes in the discount rate

The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present MVRDA’s portion of the City’s net pension liability in the PERA Fund Division that MVRDA participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
MVRDA's proportionate share of the City's net pension liability	\$ 1,521,818	\$ 1,765,309	\$ 2,008,800

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY18 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan

At June 30, 2019 there were no contributions due and payable to PERA for SCSWA. Contractually required contributions are remitted to PERA monthly.

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

General Information about the OPEB

MVRDA, for the purposes of Retiree Health Care, are include in the City’s net OPEB liability as reported by New Mexico Retiree Health Care Authority (“NMRHCA”) and MVRDA’s share is proportionate to the City of Las Cruces (“City”).

Plan description. Employees of the City are provided with OPEB through the Retiree Health Care Fund (“the Fund”)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the NMRHCA. NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (“the Act”) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

Benefits provided. The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

Employees covered by benefit terms. At June 30, 2019, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	156,025
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	93,349

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from MVRDA were \$38,696 for the year ended June 30, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, MVRDA reported a liability of \$1,679,498 for its proportionate share of the City’s net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. MVRDA’s proportion of the City’s net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2019, MVRDA’s proportionate share was 0.02493 percent of the City’s proportionate share.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

For the year ended June 30, 2019, MVRDA recognized OPEB benefit of (\$10,831). At June 30, 2019 MVRDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 314,781
Net difference between projects and actual earnings on pension plan investments	-	21,041
Changes in proportions and differences between contributions and proportionate share of contributions	-	39,726
MVRDA's contributions subsequent to the measurement date	38,696	-
Differences between expected and actual experience	-	99,826
Total	\$ 38,696	\$ 475,374

Deferred outflows of resources totaling \$38,696 represent MVRDA's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (119,105)
2021	(119,105)
2022	(119,105)
2023	(93,896)
2024	(24,162)
Total	\$ (475,374)

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA members
Projected payroll increases	3.5% to 12.50%, based on years of service including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Healthy Mortality

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	2.1%
U.S. equity - large cap	7.1
Non U.S. - emerging markets	10.2
Non U.S. - developed equities	7.8
Private equity	11.8
Credit and structured finance	5.3
Real estate	4.9
Absolute return	4.1
U.S. equity - small/mid cap	7.1

Discount Rate. The discount rate used to measure the Fund’s total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of MVRDA, as well as what MVRDA’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
\$ 2,032,588	\$ 1,679,498	\$ 1,401,184

The following presents the net OPEB liability of MVRDA, as well as what MVRDA’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Trend Rates	1% Increase
\$ 1,419,765	\$ 1,679,498	\$ 1,883,135

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2018.

Payable Changes in the Net OPEB Liability. At June 30, 2019, MVRDA did not have a payable due to NMRHCA for the year ended June 30, 2019.

NOTE 8: RISK MANAGEMENT

MVRDA is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters for which MVRDA carries commercial insurance. There have been no significant reductions in insurance coverage and there are no contingent liabilities. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Mesilla Valley Regional Dispatch Authority
Notes to Financial Statements
June 30, 2019

NOTE 9: ADJUSTMENTS

The general fund surplus of \$1,150,437 differs from total net position balance of (\$1,554,327) reported on the statement of net position and governmental funds balance sheet as follows:

Fund balance	\$ 1,150,437
Capital assets are not financial resources and, therefore, are not reported in the general fund	803,865
Deferred inflows related to pensions assets are not available for operations and, therefore, are not reported in the funds	489,277
Deferred inflows related to OPEB are not available for operations and, therefore, are not reported in funds	38,696
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds	(1,765,309)
Other post employment benefit liabilities are not due and payable in the current period and, therefore, are not reported in the funds	(1,679,498)
Deferred outflows related to pensions assets are not available for operations and, therefore, are not reported in the funds	(116,421)
Deferred outflows related to OPEB are not available for operations and, therefore, are not reported in funds	(475,374)
<u>Total net position</u>	<u>\$ (1,554,327)</u>

The net change in fund balance of MVRDA's governmental funds revenues, expenditures, and changes in fund balances of (\$188,334), differs from the net increase in net position of \$110,171 reported on the statement of activities as follows:

Net change in fund balance	\$ (188,334)
Capital outlay	496,443
Pension costs actuarially determined	(151,461)
Other post employment benefits costs	12,077
Depreciation	(58,554)
<u>Net change in net position</u>	<u>\$ 110,171</u>

NOTE 10: SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2019, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 2, 2019, which is the date on which the financial statements were available to be issued.

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Required Supplementary Information

**Mesilla Valley Regional Dispatch Authority
Schedule of Proportionate Share of Net Pension Liability
Public Employees Retirement Association (PERA)
Last 10 Fiscal Years***

	Fiscal Year	
	2019 Measurement Date (As of and for the Year Ended June 30, 2018)	2018 Measurement Date (As of and for the Year Ended June 30, 2017)
MVRDA's proportion of the City's net pension liability	1.140%	4.359%
MVRDA's proportionate share of the net pension liability	\$ 1,765,309	\$ 1,529,862
MVRDA's covered payroll	\$ 1,728,267	\$ 1,607,699
MVRDA's proportionate share of the net pension liability as a percentage of its covered payroll	102.14%	95.16%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%

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

*See independent auditors' report.
See notes to required supplementary information.*

Fiscal Year		
2017	2016	2015
Measurement	Measurement	Measurement
Date	Date	Date
(As of and for	(As of and for	(As of and for
the Year Ended	the Year Ended	the Year Ended
June 30, 2016)	June 30, 2015)	June 30, 2014)
2.932%	1.360%	1.835%
\$ 1,807,953	\$ 961,779	\$ 723,781
\$ 1,469,601	\$ 1,537,848	\$ 1,554,006
123.02%	62.54%	46.58%
69.18%	76.99%	81.29%

*See independent auditors' report.
See notes to required supplementary information.*

**Mesilla Valley Regional Dispatch Authority
Schedule of Pension Contributions
Public Employees Retirement Association (PERA)
Last 10 Fiscal Years***

	Fiscal Year	
	2019*	2018
Statutorily required contribution	\$ 135,254	\$ 146,903
MVRDA's contributions in relation to the statutorily required contribution	135,254	146,903
MVRDA's contribution deficiency (excess)	\$ -	\$ -
MVRDA's covered payroll	\$ 1,827,760	\$ 1,728,267
MVRDA's contribution as a percentage of covered payroll	7.40%	8.50%

*The amounts presented were determined as of June 30, 2019. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Mesilla Valley Regional Dispatch Authority will present information for those years for which information is available.

*See independent auditors' report.
See notes to required supplementary information.*

Fiscal Year			
2017	2016	2015	2014
\$ 118,970	\$ 106,270	\$ 110,400	\$ 104,525
118,970	10,270	110,400	104,525
\$ -	\$ -	\$ -	\$ -
\$ 1,607,699	\$ 1,469,601	\$ 1,537,848	\$ 1,554,006
7.40%	7.23%	7.18%	6.73%

*See independent auditors' report.
See notes to required supplementary information.*

**Mesilla Valley Regional Dispatch Authority
 Schedule of Employer's Proportionate Share of the Net OPEB Liability of
 New Mexico Retiree Health Care Act Plan
 New Mexico Retiree Health Care Authority (NMRHCA) Plan
 Last 10 Fiscal Years***

	2019 Measurement Date (As of and for the Year Ended June 30, 2018)	2018 Measurement Date (As of and for the Year Ended June 30, 2017)
MVRDA's proportion of the City's net OPEB liability	0.02493%	0.03953%
MVRDA proportionate share of the net OPEB liability	\$ 1,679,498	\$ 1,791,595
MVRDA covered-employee payroll	\$ 1,826,352	\$ 1,714,596
MVRDA proportionate share of the City's net OPEB liability as a percentage of its covered-employee payroll	91.96%	104.49%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%	11.34%

*The amounts presented were determined as of June 30, 2019. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Mesilla Valley Regional Dispatch Authority will present information for those years for which information is available.

*See independent auditors' report.
 See notes to required supplementary information.*

**Mesilla Valley Regional Dispatch Authority
Schedule of Employer Contributions
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years***

	<u>Fiscal Year</u>	
	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 38,696	\$ 34,434
Contributions in relation to the contractually required contribution	(38,696)	(34,434)
Contribution deficiency (excess)	\$ -	\$ -
MVRDA's covered-employee payroll	\$ 1,826,352	\$ 1,714,596
Contributions as a percentage of covered-employee payroll	2.12%	2.00%

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

*See independent auditors' report.
See notes to required supplementary information.*

**Mesilla Valley Regional Dispatch Authority
Notes to Required Supplementary Information
June 30, 2019**

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY18 CAFR available at <https://www.saonm.org>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2018 report is available at <http://www.nmpera.org/>.

NEW MEXICO RETIREE HEALTH CARE AUTHORITY (NMRHCA) PLAN

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHCA FY18 audit available at <http://nmrhca.org/financial-documents.aspx>.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2017 report is available at <http://nmrhca.org/financial-documents.aspx>. See the notes to the financial statements beginning on page 24 which summarizes actuarial assumptions and methods effective with the June 30, 2017 valuation.

Supplementary Information

Mesilla Valley Regional Dispatch Authority
Schedule of Pledged Collateral
June 30, 2019

The City of Las Cruces is the fiscal agent of MVRDA. Therefore, MVRDA participates in the City's pooling of cash and investments. The schedule of collateral below represents the amounts that pertain to the City of Las Cruces pooled deposits.

Summary of Collateralization

US Bank	
Ending bank balance	\$ 14,012,345
Less: FDIC insurance	(250,000)
Total uninsured public funds	\$ 13,762,345
US Bank -FHLB Letter of Credit (expiration 9-3-19)	\$ 25,000,000
100% Collateral requirement	13,762,345
Pledged collateral in excess of requirement	11,237,655
Uninsured and uncollateralized	\$ -

See independent auditors' report.

Mesilla Valley Regional Dispatch Authority Schedule of Deposit Accounts and Investments June 30, 2019

The City of Las Cruces is the fiscal agent of MVRDA. Therefore, MVRDA participates in the City's pooling of cash and investments. Details of MVRDA's cash and cash equivalents are as follows:

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance	On Deposit June 30, 2019
Deposit Accounts						
<i>US Bank</i>						
Community Development Checking	Checking		\$ -	\$ 641,051	\$ 641,051	\$ 642,151
Community Development Home	Checking		-	9,445	9,445	9,445
Community Development Savings	Savings		-	81,778	81,778	81,778
Metro Savings	Savings		-	95,689	95,689	95,689
Treasury Master	Checking		13,183,282	-	13,183,282	13,183,282
Payroll	Checking		(2,266,468)	-	(2,266,468)	-
Accounts Payable	Checking		(1,011,057)	-	(1,011,057)	-
Depository	Checking		(313,740)	-	(313,740)	-
Total deposit accounts			\$ 9,592,017	\$ 827,963	\$ 10,419,980	\$ 14,012,345

Investments

First Tennessee

BMO HARRIS BANK NA 2 4/1/2020	Investment	2	\$ 250,000	\$ -	\$ 250,000	
FFCB 2.09 9/8/2026	Investment	2	-	9,815,800	9,815,800	
FFCB 2.24 11/10/2027-16	Investment	2	4,941,900	-	4,941,900	
FFCB 2.24 7/6/2027-17	Investment	2	2,966,220	-	2,966,220	
FHLB 0 11/27/2019	Investment	2	4,956,550	-	4,956,550	
FHLB 0 7/12/2019	Investment	2	-	836,439	836,439	
FHLB 0 7/12/2019	Investment	2	-	1,778,807	1,778,807	
FHLB 0 7/12/2019	Investment	2	-	999,330	999,330	
FHLB 0 7/19/2019	Investment	2	-	1,198,680	1,198,680	
FHLB 0 7/22/2019	Investment	2	-	6,491,680	6,491,680	
FHLB 0 8/1/2019	Investment	2	5,988,600	-	5,988,600	
FHLB 0 8/29/2019	Investment	2	5,978,280	-	5,978,280	
FHLB 0 9/10/2019	Investment	2	2,987,220	-	2,987,220	
FHLB 2.05 9/29/2026-18	Investment	2	-	3,920,800	3,920,800	
FHLB 2.2 10/13/2026-17	Investment	2	-	969,238	969,238	
FHLB 2.2 10/13/2026-17	Investment	2	-	1,487,289	1,487,289	
FHLB 2.2 10/13/2026-17	Investment	2	989	-	989	
FHLB 2.35 12/27/2024-16	Investment	2	818,182	-	818,182	
FHLB 2.35 12/27/2024-16	Investment	2	-	1,000,000	1,000,000	
FHLB Step 1/30/2023-18	Investment	2	-	1,000,360	1,000,360	
FHLB Step 5/9/2031-16	Investment	2	7,484,250	-	7,484,250	
FHLB Step 9/15/2027-18	Investment	2	9,921,200	-	9,921,200	
FHLMC Step 2/23/2031-16	Investment	2	10,911,780	-	10,911,780	
FHLMC Step 4/20/2032-17	Investment	2	5,000,300	-	5,000,300	
FHLMC Step 5/23/2031-16	Investment	2	18,226,940	-	18,226,940	
FHLMC Step 5/23/2031-16	Investment	2	11,844,480	-	11,844,480	
FNMA 0 7/11/2019	Investment	2	1,998,780	-	1,998,780	
FNMA 0 7/22/2019	Investment	2	-	2,846,352	2,846,352	
FNMA Step 2/10/2031-17	Investment	2	3,995,360	-	3,995,360	
FNMA Step 2/20/2031-17	Investment	2	7,962,240	-	7,962,240	
FNMA Step 2/24/2031-17	Investment	2	7,991,120	-	7,991,120	

(Continued)

See independent auditors' report.

Mesilla Valley Regional Dispatch Authority
Schedule of Deposit Accounts and Investments
June 30, 2019

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance
FNMA Step 3/10/2031-17	Investment	2	\$ 14,467,086	\$ -	\$ 14,467,086
FNMA Step 4/7/2031-17	Investment	2	15,897,760	-	15,897,760
<i>PATRIOT BANK N//STAMFORD</i>					
2 12/30/2019	Investment	2	250,000	-	250,000
PROSPECT BANK 2 11/29/2019	Investment	2	250,000	-	250,000
T-Bill 0 7/5/2019	Investment	1	3,999,120	-	3,999,120
T-Bill 0 9/12/2019	Investment	1	-	1,991,640	1,991,640
<i>Stifel Nicolaus</i>					
FAMC 1.41 3/6/2020	Investment	2	-	1,490,460	1,490,460
FHLMC 0.875 7/19/2019	Investment	1	-	3,697,003	3,697,003
FNMA 1.4 11/26/2019-19	Investment	2	-	2,637,382	2,637,382
<i>JP MORGAN BANK Step</i>					
12/26/2020-19	Investment	2	251,072	-	251,072
STIFELCASH	Investment	2	1	-	1
<i>US Bank</i>					
FHLB 0 11/27/2019	Investment	2	-	1,982,620	1,982,620
FHLB 0 8/28/2019	Investment	2	-	1,992,905	1,992,905
FHLB 0 8/28/2019	Investment	2	298,932	-	298,932
FHLB 1.5 10/21/2019	Investment	1	4,967,000	-	4,967,000
FNMA 0.875 8/2/2019	Investment	1	3,143,726	-	3,143,726
T-Bill 0 7/9/2019	Investment	1	-	692,522	692,522
T-Bill 0 7/9/2019	Investment	1	-	1,081,368	1,081,368
T-Bill 0 7/9/2019	Investment	1	-	207,984	207,984
T-Bill 0 7/9/2019	Investment	1	-	1,016,793	1,016,793
T-Bill 0 7/9/2019	Investment	1	-	692,522	692,522
T-Bill 0 7/9/2019	Investment	1	-	1,081,368	1,081,368
T-Bill 0 7/9/2019	Investment	1	-	207,984	207,984
T-Bill 0 7/9/2019	Investment	1	-	1,016,793	1,016,793
T-Bill 0 8/22/2019	Investment	1	-	2,072,245	2,072,245
T-Bill 0 8/22/2019	Investment	1	-	3,235,794	3,235,794
T-Bill 0 8/22/2019	Investment	1	-	622,355	622,355
T-Bill 0 8/22/2019	Investment	1	-	3,042,566	3,042,566
T-Note 1.5 4/15/2020	Investment	1	1,344,516	-	1,344,516
<i>NM State Investment Council</i>					
Large Cap Active Equity Pool	Investment	1	-	7,786,450	7,786,450
Large Cap Index Equity Pool	Investment	2	-	5,144,744	5,144,744
Non-U.S. Developed Equity Pool	Investment	1	-	3,220,062	3,220,062
Mid/Small Cap Equity Pool	Investment	1	-	6,649,604	6,649,604
Total investments			\$ 159,093,603	\$ 83,907,939	\$ 243,001,542

(Continued)

See independent auditors' report.

Mesilla Valley Regional Dispatch Authority
Schedule of Deposit Accounts and Investments
June 30, 2019

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Other Cash & Investments	Total Reconciled Balance
Total deposits and investments			\$ 168,685,620	\$ 84,735,902	\$ 253,421,522
<i>Other Cash:</i>					
Petty Cash & Change Funds	Cash		-	16,797	16,797
<i>New Mexico Finance Authority</i>					
2018 Gasoline Tax Revenue					
4788-PP	Debt Service		-	2,536,442	2,536,442
2018 Gasoline Tax Revenue					
4788-PP	Debt Service		-	241	241
2018 MGRT 4738-PP	Debt Service		-	125,242	125,242
2018 MGRT 4738-PP	Debt Service		-	40,114	40,114
2018 A PPRF JU	Debt Service		-	2,468,100	2,468,100
2018 A PPRF JU	Debt Service		-	2,575,825	2,575,825
2018 A PPRF JU	Debt Service		-	85	85
2018 A PPRF JU	Debt Service		-	86	86
ZS PP-3116	Debt Service		-	284,181	284,181
JB DW-1974	Debt Service		-	36	36
2018 HHGRT 4756-PP	Debt Service		-	9,635,738	9,635,738
2018 HHGRT 4756-PP	Debt Service		-	410	410
RPL-2472	Debt Service		-	104	104
JB PP-2248	Program Funds		-	163	163
D. MST PP-3252	Debt Service		-	274	274
PP-3661 VAF Loan	Debt Service		-	26,388	26,388
PP-3661 VAF Loan	Debt Service		-	315	315
D. MST PP-3228	Debt Service		-	37	37
PP-3712	Debt Service		-	4,774,352	4,774,352
PPRF 4879	Debt Service		-	2,025,001	2,025,001
NMFA Loan 4806	Debt Service		-	952,381	952,381
PPRF 4879	Debt Service		-	139,469	139,469
NMFA Loan 4806	Debt Service		-	106,709	106,709
2018 TIDD SPNG BD	TIDD		-	1,651,270	1,651,270
<i>Accrued Interest Receivable</i>					
Accrued Interest - Pooled					
Investments	Accrued Int		668,161	-	668,161
Total cash and investments			\$ 169,353,781	\$ 112,095,663	\$ 281,449,444

See independent auditors' report.

**Mesilla Valley Regional Dispatch Authority
Schedule of Joint Powers Agreements
June 30, 2019**

Participants	Responsible Party	Description	Beginning Date
City of Las Cruces	MVRDA	Operate a combined communications center	September 5, 2016
Dona Ana County	MVRDA	Operate a combined communications center	September 5, 2016
Town of Mesilla	MVRDA	Operate a combined communications center	September 5, 2016
Village of Hatch	MVRDA	Operate a combined communications center	September 5, 2016
City of Sunland Park	MVRDA	Operate a combined communications center	September 5, 2016
City of Anthony	MVRDA	Operate a combined communications center	November 1, 2011

See independent auditors' report.

Ending Date	Projected Amount	FY 2019 Revenue	Audit Responsibility
Perpetual	\$ 1,854,643	\$ 1,854,643	City of Las Cruces
Perpetual	\$ 1,644,683	\$ 1,644,683	City of Las Cruces
Perpetual	\$ 51,818	\$ 51,818	City of Las Cruces
Perpetual	\$ 40,203	\$ 40,203	City of Las Cruces
Perpetual	\$ 177,959	\$ 177,959	City of Las Cruces
Perpetual	\$ 77,565	\$ 77,565	City of Las Cruces

See independent auditors' report.

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Compliance Section

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
To the Board of Directors
Mesilla Valley Regional Dispatch Authority
Las Cruces, New Mexico

We have audited, 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, the financial statements of the governmental activities, the general fund, and the budgetary comparison for the general fund of the Mesilla Valley Regional Dispatch Authority ("MVRDA") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise MVRDA's basic financial statements, and have issued our report thereon dated December 2, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MVRDA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MVRDA's internal control. Accordingly, we do not express an opinion on the effectiveness of MVRDA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 2, 2019

**Mesilla Valley Regional Dispatch Authority
Schedule of Findings and Responses
For the Year Ended June 30, 2019**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to the financials? | None Noted |

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no audit findings noted for the fiscal year ended June 30, 2019.

SECTION III – PRIOR YEAR AUDIT FINDINGS

There were no audit findings noted for the fiscal year ended June 30, 2018.

Mesilla Valley Regional Dispatch Authority
Other Disclosures
June 30, 2019

EXIT CONFERENCE

An exit conference was conducted on November 20, 2019 with the following individuals in attendance:

MVRDA Board of Directors

William Studer	Board Member
Patrick Gallagher	Board Member

City of Las Cruces (Fiscal Agent)

Yvonne Flores	City Councilor
Jack Eakman	City Councilor
David Dollahon	Assistant City Manager/Operations
Barbara DeLeon	Interim Assistant City Manager/Administration
Terri Gayhart	Director of Financial Services
Alfredo Pacheco	Deputy Finance Director/Finance/Administration
Karin Byrum	Treasurer/Finance/Treasury
Josie Medina	Accounting Manager/Finance/Accounting
Maria Sanchez	Senior Accountant/Finance/Accounting
Joshua Saffell	Senior Accountant/Finance/Accounting

MVRDA

Hugo Costa, Jr.	Executive Director
Jennifer Gorham	Admin Services Manager

Carr, Riggs & Ingram, LLC

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Vicki Dallas, CPA, CITP	Manager

FINANCIAL STATEMENT PREPARATION

The City's Accounting Department prepared the accompanying financial statements; however, MVRDA is responsible for the financial statement content.