

**Mesilla Valley Regional Dispatch Authority**

**FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2020**



**PATTILLO, BROWN & HILL, LLP**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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## **Introductory Section**

**Mesilla Valley Regional Dispatch Authority**  
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**June 30, 2020**

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**Mesilla Valley Regional Dispatch Authority  
Official Roster  
June 30, 2020**

The Board of Directors, none of whom are employed by Mesilla Valley Regional Dispatch Authority, for the year ended June 30, 2020, are:

<u><b>Name</b></u>	<u><b>Title</b></u>
Javier Perea	Chair
Diana Trujillo	Vice-Chairman
Tessa Abeyta-Stuve	Board Member
Timothy Thornton	Board Member
Fernando F. Macias	Board Member
Eric Enriquez	Board Member
Nicholas Hempel	Board Member
Marc Lopez	Board Member
Kevin Hoban	Board Member
Patrick Gallagher	Board Member
Kim Stewart	Board Member
Isabella Solís	Board Member
David Maestas	Board Member

## **Financial Section**

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## Independent Auditors' Report

To Brian S. Colón, Esq.  
New Mexico State Auditor

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, each major 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, 2020, and the related notes to the financial statements, which collectively comprise the 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.

### *Auditor's Responsibility*

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 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

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### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque



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 financial position of the governmental activities, each major fund and the budgetary comparison for the General Fund of the MVRDA, as of June 30, 2020, and the changes in its 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 MVRDA. They do not purport to, and do not, present the financial position of the City of Las Cruces, as of June 30, 2020, the changes in its financial position for the year then ended in conformity in accordance with accounting principles generally accepted in the United State 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 9 through 16, the GASB supplementary pension schedules on pages 42 through 44, and the notes to the required supplementary information on page 45 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we 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 comprise the MVRDA's basic financial statements. The other introductory section and the schedules required by 2.2.2 NMAC as noted in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules required by 2.2.2 NMAC as noted in the table of contents, 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 basic 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 schedules required by 2.2.2 NMAC as noted in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements 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 November 19, 2020 on our consideration of the 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 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 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.



Pattillo, Brown & Hill, L.L.P.  
Albuquerque, New Mexico  
November 19, 2020

# **Mesilla Valley Regional Dispatch Authority Management's Discussion and Analysis For the Year Ended June 30, 2020**

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, 2020. 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, 2020**

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 \$(1,127,917) at June 30, 2020, from \$(1,554,327) at June 30, 2019. Revenues exceeded actual expenses resulting in a change in net position of \$426,410 for fiscal year 2020.

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 \$323,598 increase in fund balance for the year ended June 30, 2020. This is due to an increase in Charges for Services.

**Mesilla Valley Regional Dispatch Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

Table 1 summarizes the net position of governmental activities.

**Table 1  
Net Position  
As of June 30, 2020**

	2020	2019
<b>Assets</b>		
Current assets	\$ 1,650,170	\$ 1,640,158
Capital assets, net	846,259	803,865
<b>Total assets</b>	<b>2,496,429</b>	<b>2,444,023</b>
Deferred outflows related to pensions	524,281	489,277
Deferred outflows related to OPEB	229,085	38,696
<b>Total assets</b>	<b>\$ 3,249,795</b>	<b>\$ 2,971,996</b>
<b>Liabilities</b>		
Current liabilities	\$ 176,135	\$ 489,721
Net pension liability	1,948,142	1,765,309
Net OPEB Liability	1,364,001	1,679,498
<b>Total liabilities</b>	<b>3,488,278</b>	<b>3,934,528</b>
Deferred inflows related to pensions	61,350	116,421
Deferred inflows related to OPEB	828,084	475,374
<b>Total liabilities and deferred inflows of resources</b>	<b>4,377,712</b>	<b>4,526,323</b>
<b>Net Position</b>		
Net investment in capital assets	846,259	803,865
Unrestricted (deficit)	(1,974,176)	(2,358,192)
<b>Total net position</b>	<b>(1,127,917)</b>	<b>(1,554,327)</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 3,249,795</b>	<b>\$ 2,971,996</b>

**Mesilla Valley Regional Dispatch Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

*Changes in Net Position*—Total revenues for the year ended June 30, 2020, were \$4,393,863 compared with expenses of \$3,967,453. Table 2 summarizes the changes in net position for 2020 and 2019, respectively.

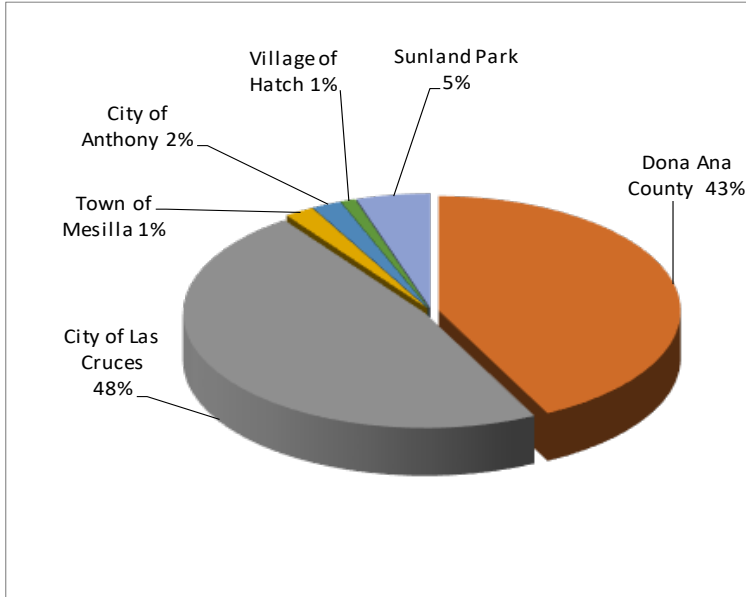
**Table 2  
Changes in Net Position  
For the Year Ended June 30, 2020**

	2020	2019
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 4,162,609	\$ 3,846,871
Operating grants	1,943	35,897
General revenues:		
Other income	212,911	243,016
Investment income (loss)	16,400	81,944
Total revenues	4,393,863	4,207,728
<b>Expenses-public safety</b>	3,967,453	4,097,557
Change in net position	426,410	110,171
Net position, beginning of year	(1,554,327)	(1,664,498)
Net position, end of year	\$ (1,127,917)	\$ (1,554,327)

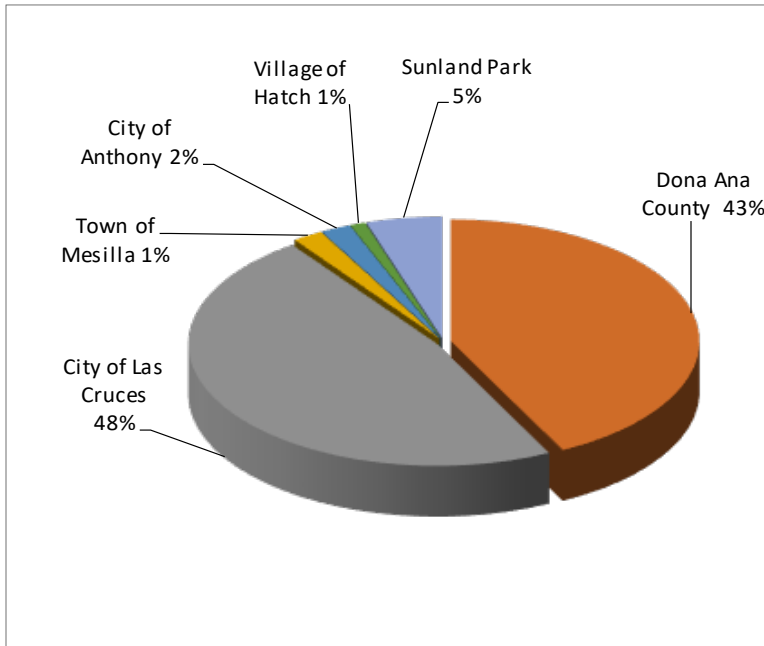
**Mesilla Valley Regional Dispatch Authority  
Management’s Discussion and Analysis  
For the Year Ended June 30, 2020**

Charts 1 and 2 show the revenues by source for fiscal years 2020 and 2019, respectively.

**Chart 1  
MVRDA Revenues by Source—2020**



**Chart 2  
MVRDA Revenues by Source – 2019**



**Mesilla Valley Regional Dispatch Authority  
Management’s Discussion and Analysis  
For the Year Ended June 30, 2020**

*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, 2020.

**Table 3  
General Fund Budgetary Comparison  
For the Year Ended June 30, 2020**

	Budget		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 4,162,609	\$ 4,162,609	\$ 4,162,609	\$ -
Operating grants	20,000	20,000	1,943	(18,057)
Investment income	-	-	16,400	16,400
General revenues (loss)	230,234	230,234	212,911	(17,323)
Total revenue	4,412,843	4,412,843	4,393,863	(18,980)
<b>Expenditures</b>				
Operations	4,412,843	4,412,843	4,070,265	342,578
Total expenditures	4,412,843	4,412,843	4,070,265	342,578
Revenues over (under) expenditures	\$ -	\$ -	\$ 323,598	\$ 323,598

In fiscal year 2020 the difference between the final revenue budget and the actual revenue of \$18,980 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 \$342,578 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, 2020**

**Capital Asset**

*Capital Assets*—As of June 30, 2020, the organization’s capital assets totaled \$846,259 net of accumulated depreciation of \$430,118. As of June 30, 2019, the organization’s capital assets totaled \$803,865 net of accumulated depreciation of \$392,965. Major capital assets activity for the year included \$594,773 in additions.

**Table 4  
Capital Assets and  
Accumulated Depreciation  
For the Year Ended June 30, 2020**

	<b>2020</b>	<b>2019</b>
Construction in Progress	\$ -	\$ 496,443
Additions	594,773	-
Equipment	681,604	700,387
Accumulated depreciation	(430,118)	(392,965)
Capital assets, net	\$ 846,259	\$ 803,865

During fiscal year 2020, MVRDA completed the Construction in Progress of the mini microwave tower replacement in the amount of \$594,773 including antennas and waveguide. No commitments have been made for future capital expenditures.

**Economic Outlook**

The 2020 economic outlook of the City of Las Cruces shows negative economic conditions driven by the pandemic of COVID-19. The slowdown is consistent with the generalized trends in the nation and the state of New Mexico. Las Cruces Metropolitan Statistical Area (MSA) experienced consistent economic output growth over the past several years up to 2019.

The U.S. Census Bureau reports median household income for the City of Las Cruces in 2018 at \$40,551. In comparison, the state of New Mexico has a household income of \$48,059 for 2018, a difference of \$7,508 between the State and the City.

The pandemic also had a negative effect in labor. The unemployment rate for the City of Las Cruces is higher than the State of New Mexico and lower than the Nation. The May 2020 preliminary figures of the not seasonally adjusted unemployment rate for the City of Las Cruces is 9%, while the State indicates an 8.8% unemployment rate. In comparison, the Nation has 13% for the same measurement.

The number of payroll jobs in Las Cruces MSA has decreased from a year ago. The preliminary numbers on total non-farm payroll employment in Las Cruces MSA for May 2020 indicate a total of 67,000 payroll jobs. In comparison to the May 2019 figures at 73,800 payroll jobs, it represents a loss of roughly 6,800 jobs. The decrease in payroll jobs is also a characteristic of the negative economic effects associated to the pandemic of COVID-19.

The new business registrations data indicates a downward tendency in new business registrations. In the first 5 months of 2020, there were 164 new business registrations, which is below the first 5 months of

**Mesilla Valley Regional Dispatch Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

2019 at 194. In the same manner, business registration renewals for the first 5 months of 2020 totaled 883 which is below the first 5 months of 2019 at 1,009.

Median listing home prices have been increasing since August 2017. The median listing home prices, according to realtor.com, is \$242,050 for June 2020.

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, 2020**

	General Fund	Adjustments (Note 9)	Statement of Net Position
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 1,601,782	\$ -	\$ 1,601,782
Accounts receivable	4,668	-	4,668
Due from other governments	43,720	-	43,720
<b>Total current assets</b>	<b>1,650,170</b>	<b>-</b>	<b>1,650,170</b>
Capital assets			
Equipment, net	-	846,259	846,259
<b>Total assets</b>	<b>1,650,170</b>	<b>846,259</b>	<b>2,496,429</b>
<b>Deferred outflows of resources</b>			
Deferred outflows related to pensions	-	524,281	524,281
Deferred outflows related to OPEB	-	229,085	229,085
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>753,366</b>	<b>753,366</b>
<b>Total assets and deferred outflows of resou</b>	<b>\$ 1,650,170</b>	<b>\$ 1,599,625</b>	<b>\$ 3,249,795</b>

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

**Mesilla Valley Regional Dispatch Authority**  
**General Fund Balance Sheet and Statement of Net Position**  
**June 30, 2020**

	General Fund	Adjustments (Note 9)	Statement of Net Position
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 20,621	\$ -	\$ 20,621
Accrued payroll liabilities	155,514	-	155,514
<b>Total current liabilities</b>	<b>176,135</b>	<b>-</b>	<b>176,135</b>
Long-term Liabilities			
Net Pension Liability	-	1,948,142	1,948,142
Net OPEB Liability	-	1,364,001	1,364,001
<b>Total long-term Liabilities</b>	<b>-</b>	<b>3,312,143</b>	<b>3,312,143</b>
<b>Total Liabilities</b>	<b>176,135</b>	<b>3,312,143</b>	<b>3,488,278</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	-	61,350	61,350
Deferred inflows related to OPEB	-	828,084	828,084
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>889,434</b>	<b>889,434</b>
<b>Fund Balance/Net Position</b>			
Fund balance			
Unassigned	1,474,035	(1,474,035)	-
<b>Total liabilities and fund balance</b>	<b>\$1,650,170</b>	<b>2,727,542</b>	<b>4,377,712</b>
Net position			
Net investment in capital assets		846,259	846,259
Unrestricted (deficit)		(1,974,176)	(1,974,176)
<b>Total net position</b>		<b>(1,127,917)</b>	<b>(1,127,917)</b>
<b>Total liabilities deferred inflows, and net position</b>		<b>\$ 5,801,202</b>	<b>\$ 3,249,795</b>

*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, 2020**

	General Fund	Adjustments (Note 9)	Governmental Activities Statement of Activities
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 4,162,609	\$ -	\$ 4,162,609
Operating grants	1,943	-	1,943
General revenues			
Other income	212,911	-	212,911
Investment (loss)	16,400	-	16,400
<b>Total revenues</b>	<b>4,393,863</b>	<b>-</b>	<b>4,393,863</b>
<b>Expenditures/Expenses</b>			
Current			
Public safety			
Salaries and benefits	3,205,192	-	3,205,192
Telephone	62,650	-	62,650
Insurance	64,285	-	64,285
Repairs and maintenance	366,555	-	366,555
Supplies	140,233	-	140,233
Travel	13,959	-	13,959
Services	90,232	-	90,232
Pension	-	92,757	92,757
Other Post Employment Benefits	-	(153,175)	(153,175)
Other	28,829	-	28,829
Depreciation	-	55,936	55,936
Capital outlay	98,330	(98,330)	-
<b>Total expenditures/expenses</b>	<b>4,070,265</b>	<b>(102,812)</b>	<b>3,967,453</b>
Revenues over (under) expenditures	323,598	102,812	426,410
Change in fund balance/net position	323,598	102,812	426,410
<b>Fund balance (deficit)/net position,</b> beginning of year,	1,150,437	(2,704,764)	(1,554,327)
<b>Fund balance/net position, end of year</b>	<b>\$ 1,474,035</b>	<b>\$ (2,601,952)</b>	<b>\$ (1,127,917)</b>

*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, 2020**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
<b>Revenues</b>				
Charges for services	\$4,162,609	\$4,162,609	\$ 4,162,609	\$ -
Operating grants	20,000	20,000	1,943	(18,057)
General revenues	230,234	230,234	212,911	(17,323)
Investment income (loss)	-	-	16,400	16,400
Total revenues	4,412,843	4,412,843	4,393,863	(18,980)
<b>Expenditures</b>				
Current				
Public safety				
Salaries and benefits	3,501,383	3,501,383	3,205,192	296,191
Telephone	70,000	70,000	62,650	7,350
Insurance	89,000	90,976	64,285	26,691
Repairs and maintenance	398,360	383,617	366,555	17,062
Supplies	175,000	174,022	140,233	33,789
Travel	31,500	29,524	13,959	15,565
Services	96,600	108,321	90,232	18,089
Other	31,000	35,000	28,829	6,171
Capital outlay	20,000	20,000	98,330	(78,330)
Total expenditures	4,412,843	4,412,843	4,070,265	342,578
Revenues over (under) expenditures	-	-	323,598	323,598
Change in fund balance	-	-	323,598	323,598
Fund balance, beginning of year	514,666	763,771	1,150,437	-
Fund balance, end of the year	\$ 514,666	\$ 763,771	\$ 1,474,035	\$ 323,598

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

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**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, 2020**

**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, 2020, along with applicable PERA, Retiree Health Care, Social Security Taxes, and Medicare payable.

Accounts Payable

The liability for accounts payable 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, 2020**

**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, 2020**

**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 (“NMRHCA”) and additions to/deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA, 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.

Adoption of New Accounting Pronouncements

For the year ended June 30, 2020, the City implemented the provisions of GASB Statement No. 95: Postponement of the Effective Dates of Certain Authoritative Guidance.

New Accounting Pronouncements

- ◆ *Statement No. 84: Fiduciary Activities*
- ◆ *Statement No. 87: Lease Accounting Standards*
- ◆ *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*
- ◆ *Statement No. 92: Omnibus 2020*
- ◆ *Statement No. 93: Replacement of Interbank Offered Rates*
- ◆ *Statement No. 94: Public-Private and Public-Public Partnerships and Availability Payment of Arrangements*
- ◆ *Statement No. 96: Subscription-Based Information Technology Arrangements*

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**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, 2020, is \$1,601,782.

At June 30, 2020, the City's cash and investment pool consist of the following:

	Pooled Cash & Investments
Carrying amount of bank deposits	\$ 8,492,663
Investments at fair value	152,074,328
Accrued interest	253,018
Total cash and investment pool	\$ 160,820,009

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, 2020, the City's deposits, totaling \$9,733,040, 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 investments in: a) U.S. Treasury obligations; b) U.S. government agency and instrumentality obligations; c) obligations of state and local governments, school districts and public authorities which are rated in the top three rating categories by a nationally recognized rating agency; d) repurchase agreements whose underlying securities and/or collateral consist of allowed investments described in (a) or (b) above; e) accounts of deposit at federally-insured financial institutions; f) pooled funds maintained by the State Treasurer; and g) mutual funds whose portfolios consist solely of allowed investments.

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 2: POOLED CASH AND INVESTMENTS (Continued)**

As of June 30, 2020, the City's investment pool had the following investments:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Avg Maturity (Yrs.)</b>
First American Treasury Obligations	\$ 6,894,554	N/A
U.S. Agency Coupon Bonds	98,155,656	2.20
U.S. Treasury Securities	39,568,118	0.27
Negotiable CDs	7,456,000	0.63
<b>Total Pooled Investments</b>	<b>\$ 152,074,328</b>	

*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 does not include any step-up coupon securities that are 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, 2020, the City's investments in coupon bonds of U.S. agencies and Municipal Bonds were rated AA+ or better by Standard & Poor's and Aaa by Moody's Investors Service. 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, 2020, 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, 2020, 6% of the City's investment pool was in Fannie Mae (FNMA), 17% was in Federal Home Loan Mortgage Corporation (FHLMC), 20% in Federal Home Loan Bank (FHLB), 25% was in Federal Farm Credit Bank (FFCB), 27% was in U.S. Treasuries and 5% was in Certificates of Deposits. Of the Telshor Fund, 20% was in FHLB, 49% was in FFCB, and 31% was in FHLMC. 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, 27% was in FHLB, 33% was in Certificates of Deposits and 40% was in Municipal Bonds. Of the Debt Service Fund portfolio 78% was FHLB and 22% was in Certificates of Deposits. Of the Capital Projects portfolio, 62% was in FHLB, 20% was in U.S. Treasuries, 15% was in Certificates of Deposits and 3% was in Municipal Bonds.

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**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, 2020:

<b>Investment Type</b>	<b>Level 1</b>		<b>Level 2</b>	
New Mexico State Investment Council Pool	\$	18,078,688	\$	5,386,638
First American Treasury Obligations				6,894,554
U.S. Agency Coupon Bonds				138,500,109
U.S. Treasury Securities				45,565,598
Negotiable CDs				13,907,000
Municipal Bonds				2,383,995
Total Pooled Investments	\$	18,078,688	\$	212,637,894

**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, 2020, the amounts receivable from these entities which are as follows:

Due From Local Governments	43,720
Total	\$ 43,720

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

	<b>Balances</b>		<b>Balances</b>	
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2020</b>
Construction in Progress	496,443	98,330	-	594,773
Equipment	700,387	-	(11,378)	689,009
Less accumulated depreciation	(392,965)	(55,936)	11,378	(437,523)
Capital assets, net	\$ 803,865	\$ 42,394	\$ -	\$ 846,259

Depreciation expense was charged to Public Safety, totaling \$55,936 for the year ended June 30, 2020.

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**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 2020, operating contributions include \$1,996,907 from the City, \$1,770,842 from the County, \$44,795 from Hatch, \$200,818 from Sunland Park, \$92,769 from the City of Anthony, and \$56,478 from Mesilla.

**NOTE 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

General Information about the Pension Plan

**Plan Description**

*Public Employees Retirement 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 Public Employees Retirement 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** - Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivor's annuities are also available.

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

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

**Tier II**

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5% and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

**Contributions** – see PERA's Comprehensive Annual Financial Report for Contribution Provided Description

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

At June 30, 2020, the Mesilla Valley Regional Dispatch Authority reported a liability \$1,948,142 for its proportional share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2019 using generally accepted actuarial principles. Therefore, the employers portion was established as of the measurement date of June 30, 2019. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2019. The Mesilla Valley Regional Dispatch Authority's proportion of the net pension liability was based on a projection of the Mesilla Valley Regional Dispatch Authority's proportion was 1.12% of the City's proportionate share, which was a decrease of .02% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Mesilla Valley Regional Dispatch Authority recognized pension expense of \$230,733. At June 30, 2020, the Mesilla Valley Regional Dispatch Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 129,728	\$ 8,794
Differences between expected and actual experience	87,229	38,625
Net difference between projected and actual earnings on pension plan investments	98,038	-
Changes in proportion and differences between MVRDA's contributions and proportionate share of contributions	71,309	13,931
Contributions subsequent to the measurement date	137,977	-
<b>Total</b>	<b>\$ 524,281</b>	<b>\$ 61,350</b>

\$137,976 reported as deferred outflows of resources related to pensions resulting from The Mesilla Valley Regional Dispatch Authority's contributions subsequent to the measurement date 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:**

2021	\$ 146,290
2022	103,662
2023	59,367
2024	15,635
	<u>\$ 324,954</u>

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

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

Actuarial assumptions: The total pension liability in the June 30, 2019 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

<b>PERA FUND</b>	
Actuarial Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Period	Level Percentage of Pay
Asset Valuation Method	Solved for based on statutory rates
Actuarial Assumptions:	
· Investment rate of return	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%
	2.75% all other years
· Mortality Assumption	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, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on actuarial valuation performed as of June 30, 2018. The total pension liability was rolled forward from the valuation date to the plan year ended June 30, 2019. These assumptions were adopted by the Board use in the June 30, 2018 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

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

Asset Class	Target Allocation	Long-term Expected Real
Global Equity	42.33%	7.48%
Risk Reduction & Mitigation	21.37%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to include Real Estate Equity	20.00%	6.48%
Multi-Risk Allocation	1.30%	
<b>TOTAL</b>	<b>100.00%</b>	

Discount rate

A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2019. 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.

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

The following presents the Mesilla Valley Regional Dispatch Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Mesilla Valley Regional Dispatch Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	2,946,447	1,948,142	1,122,178

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA’s financial report. The report is available at <https://www.nmpera.org/for-employers/gasb-information/>.

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**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 Mesilla Valley Regional Dispatch Authority (the Agency) are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (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.

***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, 2020, the Fund’s measurement date, the following employees were covered by the benefit terms:

<b>Plan membership</b>	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefit	10,916
Current active members	91,082
	154,177
<b>Active membership</b>	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal fire	1,966
Educational Retirement Board	49,492
	91,082

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

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

**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 the Agency were \$37,723 for the year ended June 30, 2020.

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

At June 30, 2020, the Agency reported a liability of \$1,364,001 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The Agency’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2020. At June 30, 2020, the Agency’s proportion was 2.43830 percent of the City’s proportional share.

For the year ended June 30, 2020, the Agency recognized OPEB income of \$77,730. At June 30, 2020 the Agency 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
Differences between expected and actual experience	\$ -	\$ 343,548
Net difference between projected and actual earnings on pension plan investments	-	12,693
Changes in assumptions	-	440,613
Changes in proportion	191,362	31,230
Contributions subsequent to the measurement date	37,723	-
<b>Total</b>	<b>\$ 229,085</b>	<b>\$ 828,084</b>

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

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

Deferred outflows of resources totaling \$37,723 represent the Agency’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, 2021. 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:	
2021	(180,428)
2022	(180,428)
2023	(154,558)
2024	(83,195)
2025	(38,113)
Total	<u>(636,722)</u>

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions:

Valuation date	June 30, 2019
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
<b>Actuarial assumptions:</b>	
Inflation	2.50% for ERB members; 2.50% for PERA members
Projected payroll increases	3.25% to 13.50%, 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 years 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-2014 Combined Healthy Mortality

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

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

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 4.16% as of June 30, 2019. 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 2039. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2039, resulting in a blended discount rate of 4.16%.

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**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 the Agency, as well as what the Agency’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16 percent) or 1-percentage-point higher (5.16 percent) than the current discount rate:

<b>1% Decrease (3.16%)</b>	<b>Current Discount (4.16%)</b>	<b>1 % Increase (5.16%)</b>
\$ 1,668,502	\$ 1,364,001	\$ 1,124,635

The following presents the net OPEB liability of the Agency, as well as what the Agency’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:

<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1 % Increase</b>
\$ 1,135,619	\$ 1,364,001	\$ 1,546,853

**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, 2019.

**Payable Changes in the Net OPEB Liability** at June 30, 2020, the Agency did not have a payable due to NMRHCA for the year ended June 30, 2020.



**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**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.

**NOTE 9: ADJUSTMENTS**

The general fund surplus of \$1,474,035 differs from total net position balance of (\$1,127,917) reported on the statement of net position and governmental funds balance sheet as follows:

Fund balance	\$	1,474,035
Capital assets are not financial resources and, therefore, are not reported in the general fund		846,259
Net pension assets are not available for operations and, therefore, are not reported in the funds		524,281
Other Post employment Benefits are not available for operations and, therefore, are not reported in funds		229,085
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds		(2,009,492)
Other post employment benefit liabilities are not due and payable in the current period and, therefore, are not reported in the funds		(2,192,085)
<b>Total net position</b>	<b>\$</b>	<b>(1,127,917)</b>

The net change in fund balance of MVRDA's governmental funds revenues, expenditures, and changes in fund balances of \$323,598, differs from the net increase in net position of \$426,410 reported on the statement of activities as follows:

Revenues over expenditures	\$	323,598
Capital outlay		98,330
Pension costs actuarially determined		(92,757)
Other Post Employment Benefits Costs		153,175
Depreciation		(55,936)
<b>Net change in net position</b>	<b>\$</b>	<b>426,410</b>

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 10: SUBSEQUENT EVENTS**

The MVRDA has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through June 30, 2020, the date the consolidated financial statements were issued. The MVRDA is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements, other than as described below.

**NOTE 11: IMPACT OF COVID-19**

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic. As of the date of issuance, this public health emergency stands to substantially impact the global economy, including significant volatility in the financial markets. The coronavirus pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Investments change from the 4<sup>th</sup> quarter of 2019 to the 4<sup>th</sup> quarter of 2020 does reflect the precipitous drop-in interest rates due to the pandemic of over 50%. Fortunately, the MVRDA does not rely heavily on its investment earnings as a source of income so while it will feel the effects of reduced investment income, it should not have a material effect. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents potential material uncertainty and risk with respect to the MVRDA, its performance, and its financial results.

On March 27, 2020, the President of the United States signed into law the “Coronavirus Aid, Relief and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property.

We continue to examine the impact that the CARES Act may have on our business. Currently, we are unable to determine the impact that the CARES Act will have on our financial condition, results of operations or liquidity.

## **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\***

	<b>Fiscal Year</b>	
	2019	2018
MVRDA's proportion of the City's net pension liability	1.121%	1.140%
MVRDA's proportionate share of the net pension liability	\$ 1,948,142	\$ 1,765,309
MVRDA's covered-employee payroll	\$ 1,827,760	\$ 1,728,267
MVRDA's proportionate share of the net pension liability as a percentage of its covered employees payroll	98.87%	102.14%
Plan fiduciary net position as a percentage of the total pension liability	70.52%	71.13%

\*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.

	<b>Fiscal Year</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	4.359%	2.932%	1.360%	1.835%
	\$ 1,529,862	\$ 1,807,953	\$ 961,779	\$ 723,781
	\$ 1,607,699	\$ 1,469,601	\$ 1,537,848	\$ 1,554,006
	95.16%	123.02%	62.54%	46.58%
	73.74%	69.18%	76.99%	81.29%

*See independent auditors' report.*

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

	<b>Fiscal Year</b>	
	<b>2020</b>	<b>2019</b>
Statutorily required contribution	\$ 137,976	\$ 135,254
MVRDA's contributions in relation to the statutorily required contribution	137,976	135,254
MVRDA's contribution deficiency (excess)	\$ -	\$ -
MVRDA's covered-employee payroll	\$ 1,876,375	\$ 1,827,760
MVRDA's contribution as a percentage of covered-employee payroll	7.35%	7.40%

\*The amounts presented were determined as of June 30, 2020. 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.

<b>Fiscal Year</b>				
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 146,903	\$ 118,970	\$ 106,270	\$ 110,400	\$ 104,525
146,903	118,970	106,270	110,400	104,525
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,728,267	\$ 1,607,699	\$ 1,469,601	\$ 1,537,848	\$ 1,554,006
8.50%	7.40%	7.23%	7.18%	6.73%

*See independent auditors' report.*

**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\***

	Fiscal Year		
	2020 As of and for the Year Ended June 30, 2019	2019 As of and for the Year Ended June 30, 2018	2018 As of and for the Year Ended June 30, 2017
MVRDA's proportion of the net OPEB liability	0.04200%	0.02493%	0.03953%
MVRDA's proportionate share of the net OPEB liability	1,364,001	1,679,498	1,791,595
MVRDA's covered Employee payroll	1,803,553	1,826,352	1,714,596
MVRDA's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	75.63%	91.96%	104.49%
Plan Fiduciary net position as a percentage of the total OPEB liability	18.92%	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.

	Fiscal Year		
	2020	2019	2018
Contractually required Contributions	37,723	36,671	34,434
Contributions in relation to the contractually required Contribution	-37,723	-36,671	-34,434
Contributions deficiency (excess)	0	0	0
MVRDA's covered employee payroll	1,803,553	1,826,352	1,714,596
Contributions as a percentage of covered employee payroll	2.09%	2.01%	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.*

**Mesilla Valley Regional Dispatch Authority**  
**Notes to Required Supplementary Information**  
**June 30, 2020**

**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.

*See independent auditors' report.*

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## Supplementary Information

**Mesilla Valley Regional Dispatch Authority**  
**Schedule of Pledged Collateral**  
**June 30, 2020**

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	\$ 9,733,040
Less:FDIC insurance	\$ (250,000)
<b>Total Uninsured Public Funds</b>	<b>\$ 9,483,040</b>

US Bank -FHLB Letter of Credit (expiration 9-1-2020)	\$ 25,000,000
<b>100% Collateral requirement</b>	<b>9,483,040</b>

<b>Pledged Collateral in Excess of requirement</b>	<b>15,516,960</b>
<b>Uninsured and uncollateralized</b>	<b>\$ -</b>

*See independent auditors' report.*

**Mesilla Valley Regional Dispatch Authority**  
**Schedule of Deposit Accounts and Investments**  
**June 30, 2020**

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	Accounts	Total Reconciled Balance	On Deposit 6/30/2020
<b>DEPOSIT ACCOUNTS</b>						
<i>US Bank</i>						
Community Development Checking	Checking					94,954
Metro Savings	Savings					95,701
Treasury Master	Checking		9,607,856		9,607,856	9,542,385
Payroll	Checking		(801,443)		(801,443)	
Accounts Payable	Checking		(681,845)		(681,845)	
Depository	Checking		368,094		368,094	
<b>TOTAL DEPOSIT ACCOUNTS</b>			<b>8,492,663</b>	<b>-</b>	<b>8,492,663</b>	<b>9,733,040</b>
<b>INVESTMENTS</b>						
<i>US Bank</i>						
FIRST AMERICAN TREASURY OBLIGATIONS	Sweep	2	6,894,554		6,894,554	
<i>First Horizon National Corp.</i>						
ALLY BANK 0.75 4/30/2021	Investment	2	248,000		248,000	
BANK RHODE ISLAND 0.65 5/7/2021	Investment	2	250,000		250,000	
BANKWELL BANK 1.15 9/30/2020	Investment	2	248,000		248,000	
BARCLAYS BANK/DELAWARE 0.9 9/25/2020	Investment	2	248,000		248,000	
BERKSHIRE BK/PITTSFIELD 1.05 1/21/2021	Investment	2	248,000		248,000	
BMO HARRIS BANK NA 1 11/1/2023-20	Investment	2	248,000		248,000	
BROOKLINE BANK 0.65 5/7/2021	Investment	2	250,000		250,000	
EAGLEMARK SAVINGS BANK 0.15 9/24/2020	Investment	2	248,000		248,000	
ESSA BANK AND TRUST PA 0.2 9/30/2020	Investment	2	248,000		248,000	
FFCB 0.15 5/26/2021	Investment	2	7,999,600		7,999,600	
FFCB 0.2 9/8/2021-20	Investment	2	3,000,210		3,000,210	
FFCB 0.21 6/23/2021-20	Investment	2	1,999,900		1,999,900	
FFCB 0.53 11/27/2023-20	Investment	2	3,000,120		3,000,120	
FHLB 0 11/12/2020	Investment	2	3,997,480		3,997,480	
FHLB 0 7/16/2020	Investment	2	999,950		999,950	
FHLB 0 7/24/2020	Investment	2	799,936		799,936	
FHLB 0 7/7/2020	Investment	2	1,899,962		1,899,962	
FHLB 1.97 9/11/2024-20	Investment	2	7,518,750		7,518,750	
FHLMC 0.35 11/18/2022-21	Investment	2	3,998,600		3,998,600	
FHLMC 0.45 11/18/2022-20	Investment	2	6,998,250		6,998,250	
FHLMC 0.625 4/27/2023-20	Investment	2	4,000,920		4,000,920	
FHLMC 1.75 1/17/2023-20	Investment	2	2,500,925		2,500,925	
FHLMC 1.75 1/17/2025-20	Investment	2	2,501,350		2,501,350	
FHLMC 1.85 2/18/2025-20	Investment	2	821,148		821,148	
FIFTH THIRD BANK 0.9 9/25/2020	Investment	2	248,000		248,000	
FIRST CMTY BK OF TENN 0.1 7/22/2020	Investment	2	248,000		248,000	
FIRST CMTY BK TENN 1.05 9/28/2020	Investment	2	250,000		250,000	
GREAT SOUTHERN BANK 0.8 9/30/2020	Investment	2	248,000		248,000	
GREENWOODS STATE BK WI 0.15 9/30/2020	Investment	2	248,000		248,000	
HOWARD BANK/ELLCOTT 1.05 9/30/2020	Investment	2	248,000		248,000	
HSBC BANK USA NA 1 5/8/2023-21	Investment	2	248,000		248,000	

*See independent auditors' report.*

**Mesilla Valley Regional Dispatch Authority**  
**Schedule of Deposit Accounts and Investments**  
**June 30, 2020**

Account	Type of Account	Fair Value Level	Pooled Cash & Investments	Accounts	Total Reconciled Balance	On Deposit 6/30/2020
JP MORGAN CHASE BANK NA 0.6 5/5/2021-20	Investment	2	248,000		248,000	
KENNEBEC SAVINGS BANK 0.15 9/24/2020	Investment	2	248,000		248,000	
LAKELAND BANK 0.85 9/28/2020	Investment	2	248,000		248,000	
M1 BANK 1.05 9/30/2020	Investment	2	248,000		248,000	
MEADOWS BANK 0.15 12/28/2020	Investment	2	248,000		248,000	
MIDDLETOWN VALLEY BK 1.15 9/30/2020	Investment	2	250,000		250,000	
PACIFIC CITY BANK 0.55 1/29/2021	Investment	2	250,000		250,000	
PINNACLE BANK TN 1 5/6/2022	Investment	2	250,000		250,000	
PREFERRED BANK LA CALIF 0.6 5/7/2021	Investment	2	248,000		248,000	
SANTANDER BANK NA 0.2 9/24/2020	Investment	2	248,000		248,000	
STERLING BANK AND TRUST 0.95 9/16/2020	Investment	2	248,000		248,000	
SUNFLOWER BANK NA 1 9/21/2020	Investment	2	250,000		250,000	
TAB BANK INC 0.7 12/28/2020	Investment	2	250,000		250,000	
T-Bill 0 7/30/2020	Investment	2	3,999,600		3,999,600	
UMPQUA BANK ROSEBURG 1.05 11/30/2020	Investment	2	248,000		248,000	
<i>Oppenheimer &amp; Co. Inc.</i>						
FFCB 0.53 11/27/2023-20	Investment	2	2,000,080		2,000,080	
FFCB 0.53 11/27/2023-20	Investment	2	2,000,080		2,000,080	
FFCB 1.89 11/27/2024-20	Investment	2	16,096,000		16,096,000	
FHLB 0 4/27/2021	Investment	2	2,995,740		2,995,740	
FHLMC 0 7/23/2020	Investment	2	3,999,720		3,999,720	
T-Bill 0 12/17/2020	Investment	2	3,997,160		3,997,160	
<i>US Bank</i>						
FHLB 0 4/27/2021	Investment	2	2,995,740		2,995,740	
FHLB 0 5/17/2021	Investment	2	1,997,000		1,997,000	
FHLB 0 5/27/2021	Investment	2	1,996,800		1,996,800	
FHLB 0 7/8/2020	Investment	2	999,973		999,973	
FNMA 0 12/15/2020	Investment	2	4,996,000		4,996,000	
T-Bill 0 10/22/2020	Investment	2	3,998,100		3,998,100	
T-Bill 0 7/14/2020	Investment	2	2,999,895		2,999,895	
T-Bill 0 7/2/2020	Investment	2	3,999,700		3,999,700	
T-Bill 0 7/30/2020	Investment	2	4,999,500		4,999,500	
T-Bill 0 8/25/2020	Investment	2	3,999,200		3,999,200	
FHLB 0 9/16/2020	Investment	2	1,999,400		1,999,400	
T-Bill 0 11/27/2020	Investment	2	3,997,340		3,997,340	
T-Bill 0 8/25/2020	Investment	2	2,999,400		2,999,400	
T-Note 2.25 4/30/2021	Investment	2	2,543,458		2,543,458	
FNMA 1.25 5/6/2021	Investment	2	2,018,300		2,018,300	
FNMA 1.25 8/17/2021	Investment	2	2,023,722		2,023,722	
T-Note 2.25 4/30/2021	Investment	2	2,034,766		2,034,766	
TOTAL INVESTMENTS			<u>152,074,328</u>	-	<u>152,074,328</u>	
TOTAL DEPOSITS AND INVESTMENTS			160,566,991	-	160,566,991	
<i>Other Cash:</i>						
Petty Cash & Change Funds	Cash		-			
<i>Accrued Interest Receivable</i>						
Accrued Interest - Pooled Investments	Accrued Int		<u>253,018</u>	-	<u>253,018</u>	
TOTAL CASH AND INVESTMENTS			160,820,009	-	160,820,009	
Less balances in City of Las Cruces funds			<u>159,218,227</u>		<u>159,218,227</u>	
MVRDA cash and investment balance			<u>\$ 1,601,782</u>	\$ -	<u>\$ 1,601,782</u>	

*See independent auditors' report.*

**Mesilla Valley Regional Dispatch Authority  
Schedule of Joint Powers Agreements  
June 30, 2020**

<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>	<b>Beginning Date</b>
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

<b>Ending Date</b>	<b>Projected Amount</b>	<b>FY 2020 Revenue</b>	<b>Audit Responsibility</b>
Perpetual	\$ 1,996,907	\$ 1,996,907	City of Las Cruces
Perpetual	\$ 1,770,842	\$ 1,770,842	City of Las Cruces
Perpetual	\$ 56,478	\$ 56,478	City of Las Cruces
Perpetual	\$ 44,795	\$ 44,795	City of Las Cruces
Perpetual	\$ 200,818	\$ 200,818	City of Las Cruces
Perpetual	\$ 92,769	\$ 92,769	City of Las Cruces

*See independent auditors' report.*

**Compliance Section**

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**INDEPENDENT AUDITORS' 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***

To Brian S. Colón, Esq.  
New Mexico State Auditor

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, each major 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, 2020, and the related notes to the financial statements, which collectively comprise the MVRDA's basic financial statements, and have issued our report thereon dated November 19, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the MVRDA's internal control over financial reporting (internal control) as a basis for designing 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 the MVRDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over

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**NEW MEXICO** | Albuquerque

financial reporting 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 the 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 financial statements. 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.



Pattillo, Brown & Hill, LLP  
Albuquerque, New Mexico  
November 19, 2020



**Mesilla Valley Regional Dispatch Authority  
Schedule of Findings and Responses  
For the Year Ended June 30, 2020**

**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**

None

**SECTION III – PRIOR YEAR AUDIT FINDINGS**

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

**Mesilla Valley Regional Dispatch Authority  
Other Disclosures  
June 30, 2020**

**EXIT CONFERENCE**

An exit conference was conducted on November 19, 2020 with the following individuals in attendance:

**MVRDA Board of Directors**

Javier Perea Board Member

**City of Las Cruces (Fiscal Agent)**

Tessa Abeyta Stuve	City Councilor
Ifo Pili	City Manager
Barbara DeLeon	Interim Assistant City Manager
Terri Gayhart	Director of Financial Services
Alfredo Pacheco	Deputy Finance Director
Jennifer Vega-Brown	City Attorney
Josie Medina	Accounting Manager
Maria Sanchez	Senior Accountant
Joshua Saffell	Senior Accountant
Virginia Barela	Executive Administrative Assistant
Mariel Rocha	Accountant
Viola Perea	Internal Audit

**MVRDA**

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

**Pattillo, Brown & Hill, LLP**

Chris Garner, CPA	Partner
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**FINANCIAL STATEMENT PREPARATION**

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