

Comprehensive Annual Financial Report

Year Ended June 30, 2018



Chaves County, New Mexico

#1 St. Mary's Place

Roswell, NM

FINANCIAL REPORT
Fiscal Year Ended June 30, 2018

COUNTY OF CHAVES, NEW MEXICO GOVERNMENT
Board of County Commissioners
Stanton L. Riggs, County Manager
Joe Sedillo, Finance Director

Prepared by:
The Finance Department

INTRODUCTORY SECTION

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CHAVES COUNTY
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**FINANCE
DEPARTMENT**

P.O. Box 1597
Roswell, NM 88202-1597
Phone 575-624-6620
Fax 575-624-6576
e-mail
sedilloj@co.chaves.nm.us



COMMISSIONERS

James W. Duffey - District 1
T Calder Ezzell Jr. - District 2
Jeff Bilberry - District 3
Robert Corn - District 4
William E. Cavin - District 5

County Manager

Stanton L. Riggs

**Chief Financial
Officer**

Joe Sedillo

November 27, 2018

County Commissioners of
Chaves County, New Mexico

County Manager and the Citizens of
Chaves County, New Mexico

We are pleased to submit to you the Comprehensive Annual Financial Report of Chaves County for the fiscal year ended June 30, 2018. New Mexico state law, Section 12-6-3 NMSA 1978, requires that an annual audit of Chaves County's financial records and Comprehensive Annual Financial Report be performed by independent public accountants.

This report consists of management's representations concerning the finances of Chaves County. County management assumes full responsibility for the completeness and reliability of the information presented in this report, based on a comprehensive framework of internal controls that were established for this purpose. Chaves County has established a comprehensive internal control framework that is intended to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements according to generally accepted accounting principles. "Reasonable assurance" is intended to recognize that the cost of maintaining the system of internal accounting controls should not exceed the benefits derived. The County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The County's management team asserts that, to the best of our knowledge, this financial report is complete and reliable on all material respects.

The report consists of an Introductory Section, the Financial Section which includes the auditor's opinion from Jaramillo Accounting Group, LLC. The Introductory Section includes this transmittal letter, the County's organization chart and a list of County Officials and administrative staff.

The Reporting Entity and Its Services

Chaves County is in southeast New Mexico and was created by Territorial Legislature on February 25, 1889, out of land from Lincoln County. The County comprises an area of 6,075 square miles and is the fourth largest county in the state. The County seat is Roswell, situated in the center of the County. The 2010 census lists the County's population as 65,778 people (as compared to 61,382

in 2000). Estimates of the 2018 population are 64,866. The County's population has increased by 6.41% between 2009 and 2018. The County's population has increased by 7.17% between 2000 and 2012. In 2010 the County had a median income of \$37,293 and 74% of the County's population live within the County seat of Roswell, which has a population of 48,477 and a population density of 1,619 individuals per square mile. Roswell is a center for irrigated farms, farming, dairy production, ranching, manufacturing, distribution and petroleum production. Other small towns, all of which lie south of Roswell, include Dexter, with an area of 0.8 square mile and a population of 1,235; Hagerman with an area of 1.4 square miles and population of 1,168; and Lake Arthur of 0.6 square mile and a population of 432.

The governance is established by a five-member Board of Commissioners operating with commissioner-manager relationship. The executive function is further divided to five elected county officials-Assessor, Treasurer, Clerk, Sheriff and Probate Judge. Services provided include roads, sanitation, health and social services, public safety, (sheriff, fire, emergency communications, corrections and detention) public improvement projects, planning and zoning, administrative services and economic development.

Chaves County maintains a budgetary structure which is systematically scrutinized by management for planning and control. The County utilizes a 'zero-base' budgeting process in which line items are considered and approved. Zero based budgeting requires that line item requests be justified. The budgets are subsequently scrutinized by the Budget and Finance Committee.

Economic Condition and Outlook

As an indicator, property values convey an important part of the local economy. The property values in the County have continued an upward trend for residential and non-residential values. According to The Chaves County Assessor, the past three years has seen slow growth in property valuations for Chaves County. Residential property values on a county wide basis have grown at an average of 3.00% over the past three years. This level of growth will continue indefinitely into the future barring a change in statute or a significant increase in demand and new construction, none of these being anticipated at this time. Nonresidential properties, which are not capped, have increased in value an average of 4.33 % per year over the past three years. The nonresidential values include any properties without a residence and all State Assessed properties and livestock. State Assessed properties include utilities, railroads, pipelines and communication systems. We don't see anything in the near future that would cause those values to move at a rate significantly higher than what we are currently reporting.

Gross Receipts Tax produced an increase in tax received of 6.78% over the previous year fiscal year to date. The Oil and gas contributed heavily to the gross receipts by providing jobs in the area. The gross receipts received continue to be strong into fiscal year 2018 however there is little evidence of economic growth to substantiate those increases.

Oil and gas – Production plays an important role in the economy. The industry, however, is prone to heavy fluctuations and is difficult to gage over the long range. It, nevertheless, is an important economic player in Southeast New Mexico. The WTI, (West Texas Intermediate), index has fluctuated \$67-68 per barrel over the course of a year.

Manufacturing - The largest manufacturing companies which contribute to the overall strength of our economy are Dean Baldwin (aircraft painting), AerSale (aircraft overhaul and repair), Stewart Industries (aircraft overhaul and restoration), Cavu Aerospace (airplane parts), General Air Frame Support and Lepirino Foods (cheese processing plant).

Agriculture and Dairy - Chaves County is the number one agriculture producing county in the State of New Mexico; ranking in the top three categories: volume of milk produced; agriculture products sold (livestock, sheep); and total acres of production (pecans, hay, corn, silage and sorghum).

Long-Term Financial Planning

In the fiscal year oil and gas has had a significant effect and an upward swing in the local and state wide economic production. Chaves County has been impacted indirectly from providing jobs in the area effecting retail, utilities and construction gross receipts. The County completed the Detention Center Expansion and Renovation. The long-term objective going forward will be to retire the associated debt of the project as well as replenish the participating funds. No substantial or large construction is currently planned although some intermediate projects like the courthouse elevator and preservation of historical windows at the court house are planned and budgeted. The Roswell Solar, (NextEra), 140-megawatt solar project is completed. This was a private company that will furnish the Chaves County as well as the Roswell Independent School District with PILOT, (payment in lieu of taxes, industrial revenue bonds), funding. The project is part of the GASB 77 disclosure. The project covers 1400 acres.

Relevant Financial Policies

Chaves County has developed and strengthened policies in areas of procurement, fraud prevention, budget, and internal controls. The budget cycle begins in mid-March with a target of an interim budget by the end of May. The departmental process involves the setting of goals and objectives by each of the County's departments. Zero based budgeting is adhered to as a basis for the fiscal year, and line item justification is a requirement stipulated by management. Flat budgets have been adhered to by the departments and approved by the governance of Chaves County.

Major Initiatives

Chaves County has engaged in several initiatives and projects as listed below:

Hobson Road Project--This project is estimated to cost 2.5 million dollars upon completion and consists of planning, designing, and improving five miles of pavement on Hobson Road and U.S. 285 South. This includes the reconstruction of two intersections, placement of new culverts, correcting drainage, the construction of a drainage pond, re-processing and adding base course, and re-paving the road bed.

Solid Waste Convenience Centers--This project is estimated to cost a total of \$460,000 upon completion and consists of the construction of pad sites at selected locations throughout Chaves County utilizing 10 large refuse compactors.

Chaves County Courthouse ADA Elevator and Historic Window replacement--Planning, design, equipping, and installation of an elevator into a modified building envelope. The elevator is to have a climate controlled entry vestibule and landing. This project is estimated to cost \$250,000.00. Design and install window replacements acceptable to the NM State Historical Preservation Department. Estimated cost \$450,000.

AWARDS AND ACKNOWLEDGMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded this certificate, the County published

an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

This certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2018 certificate.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the County. Each member of the County has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the County Manager and the members of the Board of County Commissioners, preparation of this report would not have been possible.

Respectfully submitted,



Stanton L. Riggs
County Manager



Joe Sedillo
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Chaves County
New Mexico**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

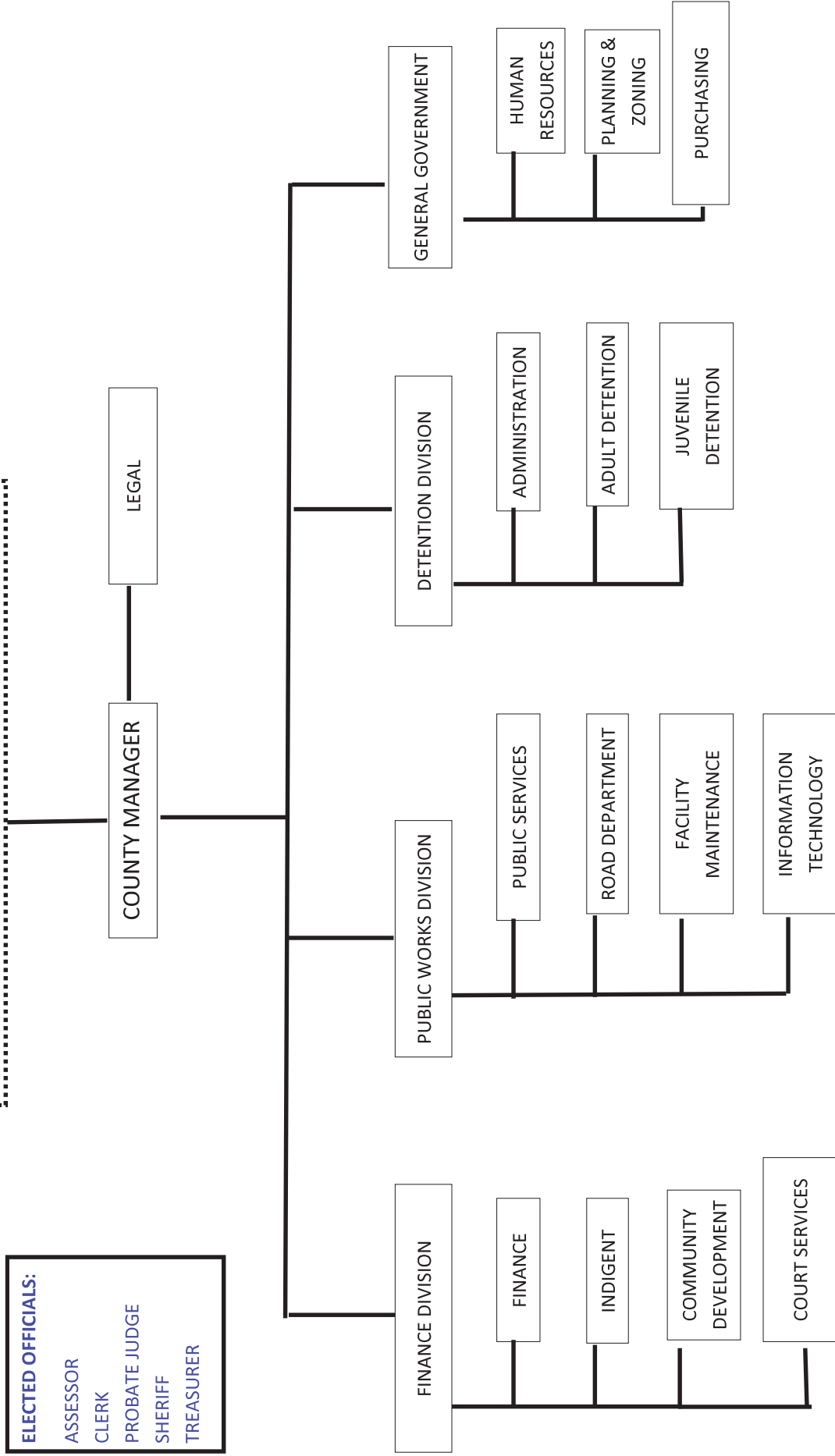
June 30, 2017

Christopher P. Morill

Executive Director/CEO

CHAVES COUNTY ORGANIZATIONAL CHART

BOARD OF COMMISSIONERS



**STATE OF NEW MEXICO
CHAVES COUNTY
LIST OF PRINCIPAL OFFICERS
JUNE 30, 2018**

Name	Title
<u>County Commissioners</u>	
James W. Duffey	District 1 Commissioner
T. Calder Ezzell, Jr.	District 2 Commissioner
Jeff Bilberry	District 3 Commissioner
Robert Corn	District 4 Commissioner
William E. Cavin	District 5 Commissioner

Elected Officials

Mark Willard	County Assessor
David Kunko	County Clerk
Britt Snyder	County Sheriff
Charlette Andrade	County Treasurer

Administrative Officials

Stanton L. Riggs	County Manager
Joe Sedillo	Finance Director
William Williams	Public Services Director
Alfredo Garcia	IT Director
Marlin Johnson	Planning and Zoning Director
Richard "Dick" Smith	Flood Control Superintendent
Clay Corn	Adult and Juvenile Detention Administrator

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

County Commissioners of
Chaves County
Roswell, New Mexico and
Mr. Wayne Johnson
New Mexico State Auditor
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Chaves County, New Mexico (the County), as of and for the year ended June 30, 2018, and the related notes to financial statements, which collectively comprise the County'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 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.

County Commissioners of
Chaves County and
Mr. Wayne Johnson
New Mexico State Auditor

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information and the respective budgetary comparisons for the general fund and the major special revenue funds of the County as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the internal service fund and fiduciary fund of the County as of June 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 11 - 20), information about Infrastructure Assets Reported Using the Modified Approach (on pages 67 - 69), and the Schedule of the County's Proportionate Share of the Net Pension Liability, Schedule of the County's Pension Contributions, Schedule of the County' Proportionate Share of the Net OPEB Liability, and the Schedule of the County's OPEB Contributions (on pages 70 - 73), 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 County's financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections and other schedules required by 2.2.2 NMAC are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules required by 2.2.2 NMAC, listed under Other Supplementary Information 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

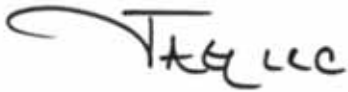
County Commissioners of
Chaves County and
Mr. Wayne Johnson
New Mexico State Auditor

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 information is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

The Introductory Section and Statistical Section 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 30, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 County's internal control over financial reporting and compliance.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 30, 2018

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

As management of the Chaves County, New Mexico (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. The Management's Discussion and Analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The County's total net position of governmental activities increased \$3.5 million primarily due to an increase of \$0.9 million in investment income, and a decrease of \$1.5 million public works expenditures. Additionally, beginning net position was restated by a reduction of \$12.9 million, due to the implementation of GASB 75 (see Note 16). Current fiscal year decreases in net position of \$2.8 million and \$0.4 million are due to additional non-cash pension and OPEB expenses recognized under GASB 68 and 75, respectively.
- General revenues from governmental activities accounted for \$32.3 million in revenue, or 83% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6.5 million or 17% of total governmental activities revenues.
- The County had \$35.3 million in expenses related to governmental activities, a decrease of 3% from the prior fiscal year.
- The General Fund had \$17.7 million in revenues, which primarily consisted of property tax and intergovernmental revenues. The total expenditures of the General Fund were \$15.3 million. The General Fund's fund balance increased \$2.2 million to \$6.1 million primarily due to increased investment income, and reductions in general government and public safety expenses.
- The Road Fund had \$1.9 million in revenues, which primarily consisted of gasoline and motor vehicle taxes. The total expenditures of the Road Fund were \$4.9 million. The Road Fund's fund balance (after transfers and decrease in inventory) increased \$0.4 million to \$1.5 million at current fiscal year-end.
- The Indigent Hospital Claims Fund had \$3.7 million in revenues, which primarily consisted of gross receipts taxes. The total expenditures of the Indigent Hospital Claims Fund were \$4.0 million. The Indigent Hospital Claims Fund's fund balance increased \$0.8 million from prior fiscal year end to \$1.1 million.
- The Detention Construction Fund had \$7.1 million in revenues, which consisted of gross receipts taxes. The total expenditures of the Detention Construction Fund were \$2.0 million. The Detention Construction Fund's fund balance (after transfers) increased \$0.6 million from prior fiscal year to \$2.0 million.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County'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 the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the County that are principally supported by taxes and intergovernmental revenues. The governmental activities of the County include general government, public safety, public works, culture and recreation, health and welfare, and interest on long-term debt.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road, Indigent Hospital Claims, Detention Construction, and County Permanent Fund, all of which are the County's major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and schedules.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds. The County maintains one type of proprietary fund. The internal service funds an accounting device used to accumulate and allocate costs to the County's various functions. The internal service fund accounts for purchases of bulk supplies and phone services which are then charged to the departments that utilize the supplies and services.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Under Section 2.2.2 of the New Mexico Administrative Code (NMAC), governments in New Mexico must include the budgetary comparison statement for the General Fund and major special revenue fund data as a component of the fund financial statements within the basic financial statements. Schedules for the pension and OPEB plans have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$150.9 million at the current fiscal year-end.

The largest portion of Chaves County's net position reflects its investment in capital assets (e.g., land, construction in progress, infrastructure, fine art, land improvements, buildings and improvements, and vehicles, furniture and equipment, and bridges) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a significant portion of the County's net position relates to resources that are subject to external restrictions on how they may be used as well as the resources related to the Permanent Fund.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table presents a summary of the County's net position for the fiscal years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 76,500,517	\$ 72,924,964
Capital assets, net	<u>112,736,138</u>	<u>113,405,881</u>
Total assets	<u>189,236,655</u>	<u>186,330,845</u>
Deferred outflows	<u>5,879,362</u>	<u>9,522,114</u>
Current and other liabilities	4,080,669	3,947,321
Long-term liabilities	<u>35,456,575</u>	<u>31,327,139</u>
Total liabilities	<u>39,537,244</u>	<u>35,274,460</u>
Deferred inflows	<u>4,699,073</u>	<u>303,148</u>
Net investment in capital assets	106,855,738	105,441,719
Restricted	67,419,604	65,792,872
Unrestricted	<u>(23,395,642)</u>	<u>(10,959,240)</u>
Total net position	<u><u>\$ 150,879,700</u></u>	<u><u>\$ 160,275,351</u></u>

The County's financial position is the product of several financial transactions including the net result of activities, the acquisition and disposal of capital assets, the depreciation of capital assets, and the payment of debt. The following are significant current year transactions that had an impact on the Statement of Net Position.

- Bond principal retirement of \$1.18 million and NMFA loan principal retirement of \$541,679.
- Addition of approximately \$3.4 million in capital assets and current depreciation expense of \$3.6 million.
- A reduction in pension and OPEB liabilities of \$4.6 million and \$2.2 million, respectively, offset by a decrease in pension deferred outflows of \$3.8 million.

Changes in net position. The County's total revenues for the current fiscal year were \$38.8 million. The total cost of all programs and services was \$35.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and 2017:

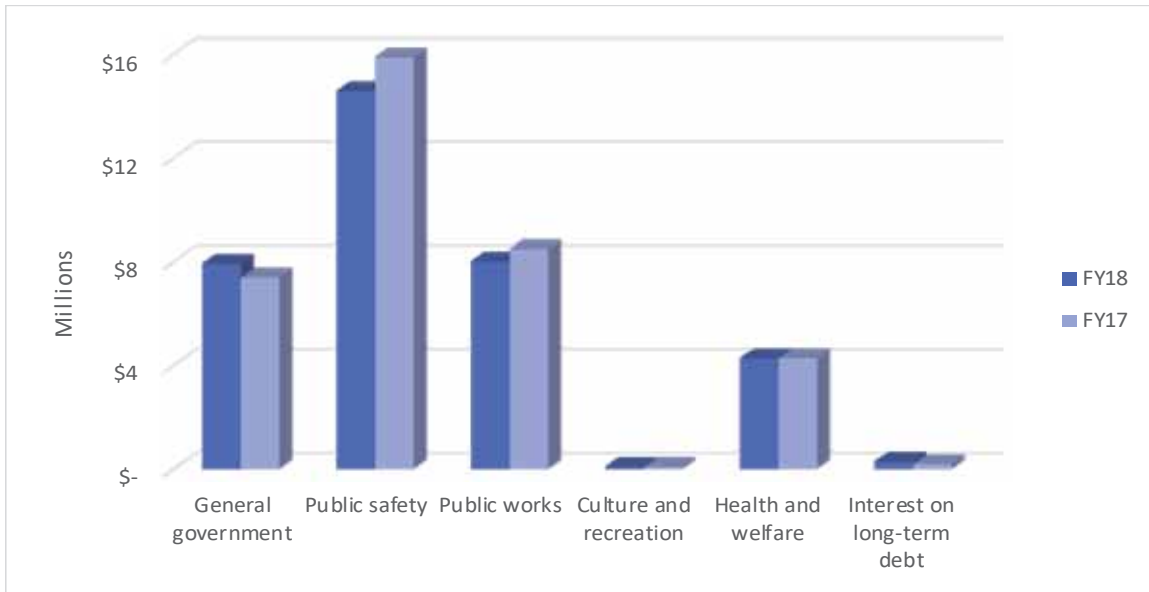
STATE OF NEW MEXICO
 CHAVES COUNTY
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	<u>2018</u>	<u>2017</u>
REVENUES		
Program revenues		
Charges for services	\$ 2,680,756	\$ 2,503,880
Operating grants and contributions	2,876,608	2,394,814
Capital grants and contributions	915,313	956,137
General revenues		
Property taxes, levied for general purposes	9,844,911	8,762,252
Property taxes, levied for capital purposes	1,429,581	1,394,140
Gross receipts taxes	14,740,064	12,557,303
Gasoline and motor vehicle taxes	1,561,917	1,505,996
Unrestricted federal aid	3,683,677	3,636,563
Investment income	1,013,633	110,743
Total revenues	<u>38,746,460</u>	<u>33,821,828</u>
EXPENSES		
General government	7,937,326	7,417,325
Public safety	14,597,822	15,915,084
Public works	8,025,120	8,512,710
Culture and recreation	104,773	110,727
Health and welfare	4,299,935	4,312,294
Interest on long-term debt	312,530	226,078
Total expenses	<u>35,277,506</u>	<u>36,494,218</u>
Changes in net position	3,468,954	(2,672,390)
Net position - beginning of year	<u>160,275,351</u>	<u>162,947,741</u>
Adoption of new accounting standard (Note 16)	<u>(12,864,605)</u>	<u>-</u>
Net position - beginning of year, as restated	<u>147,410,746</u>	<u>-</u>
Net position - ending of year	<u><u>\$ 150,879,700</u></u>	<u><u>\$ 160,275,351</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



The following are significant current year transactions that had an impact on the change in net position.

- Investment income increased \$0.9 million primarily due to improved investment experience.
- Public safety expenses decreased \$1.3 million primarily due to decreased personnel costs in the fire and emergency, adult detention, and juvenile detention departments, as well as lower depreciation expense due to prior year reclassifications.

Governmental activities. The following table presents the cost of the six major county functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the state and county's taxpayers by each of these functions.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	2018		2017	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 7,937,326	\$ (5,294,369)	\$ 7,417,325	\$ (5,330,236)
Public safety	14,597,822	(11,624,242)	15,915,084	(13,318,505)
Public works	8,025,120	(7,227,397)	8,512,710	(7,652,296)
Culture and recreation	104,773	(104,773)	110,727	(110,727)
Health and welfare	4,299,935	(4,241,518)	4,312,294	(4,245,138)
Interest on long-term debt	312,530	(312,530)	226,078	(226,078)
Total	<u>\$ 35,277,506</u>	<u>\$ (28,804,829)</u>	<u>\$ 36,494,218</u>	<u>\$ (30,882,980)</u>

- The cost of all governmental activities this year was \$35.3 million.
- Charges for services and contributions subsidized certain governmental programs with revenues of \$6.5 million.
- Net cost of governmental activities of \$28.8 million was financed by general revenues of \$32.3 million, which are made up of primarily property taxes and gross receipts taxes.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as useful measure of the County's net resources available for spending at the end of the fiscal year. The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$74.4 million, an increase of \$3.8 million, or approximately 5%.

The General Fund is the principal operating fund of the County. Fund balance increased from \$3.9 million to \$6.1 million as of the fiscal year-end. General Fund revenues increased \$2,047,546 million primarily as a result of increased investment income. General Fund expenditures decreased \$641,024 as a result decreased personnel costs in the adult and juvenile detention departments.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (CONTINUED)

The Road Fund's fund balance increased \$393,783, net of a reduction in nonspendable resources of \$157,645, to \$1.5 million as of fiscal year end. Road Fund revenues decreased \$2,080 to \$1.9 million and expenditures decreased \$23,441 to \$4.9 million at fiscal year-end.

The Indigent Hospital Fund's fund balance had an increase of \$765,611 to \$2.0 million at fiscal year-end. The increase was primarily due to increased gross receipts tax collections.

The Detention Construction Fund's fund balance increased \$592,505 to \$2.0 million at fiscal year-end primarily due to the additional 3/8th increment in Gross Receipts Tax.

BUDGETARY HIGHLIGHTS

County budgets reflect the same pattern as seen in the revenue and expenditures of the County. The State of New Mexico budget process is defined under state law and regulation. To enhance the processor developing a budget at the county level, Chaves County utilizes goals and objectives defined by the County Commissioners, community input meetings, long-term plans and input from various staff groups to develop the County budget. County priorities are well defined through this process. A statement reporting the original and final budget amounts compared to the County's actual financial activity for the General Fund is provided in this report as a basic financial statement. The significant variances are summarized as follows.

- The favorable variance of \$1,670,763 in revenues for general government was a result of better than expected investment experience.
- The favorable variance of \$810,381 million in expenditures for public safety was a result of the public safety departments not expending their individual budgets throughout the year at the request of management.

There were no significant variances between the General Fund's original and final budgets.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year-end, the County had invested \$165.7 million in capital assets, including land, construction in progress, infrastructure, fine art, land improvements, buildings and improvements, vehicles, furniture and equipment, and bridges. This amount represents a net increase prior to depreciation of \$1.6 million. Total depreciation expense for the current fiscal year was \$3.6 million. The following schedule presents capital asset balances for the fiscal years ended June 30, 2018 and 2017:

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

<u>Governmental Activities</u>	<u>2018</u>	<u>2017</u>
Land	\$ 3,821,441	\$ 3,821,441
Construction in progress	96,488	-
Infrastructure	48,037,074	48,433,470
Fine art	642,181	642,181
Land improvements	871,901	441,849
Buildings and improvements	64,567,109	64,532,387
Vehicles, furniture and equipment	33,311,484	32,038,064
Bridges	<u>14,370,580</u>	<u>14,203,461</u>
Subtotal	165,718,258	164,112,853
Accumulated depreciation	<u>(52,982,120)</u>	<u>(50,706,972)</u>
Total	<u>\$ 112,736,138</u>	<u>\$ 113,405,881</u>

The County has \$96,488 in current construction projects in progress at fiscal year-end. The County has elected to record its infrastructure assets using the modified approach, as defined in GASB Statement 34. Assets accounted for under the modified approach include 488.10 miles of chip sealed/paved roadways and 911.473 miles of unpaved roadways that the County is responsible for maintaining.

Chaves County utilizes a Pavement Management System. The County's Pavement Management System's purpose is to develop a cost-effective rehabilitation program that preserves the County's road investment and enhances public transportation and safety. Each road segment is evaluated using four different road distress factors which are combined to obtain a Pavement Remaining Service Life (RSL) Factor. This factor is then assigned to each segment of road and expressed in a continuous scale from 0 to 20, which 0 is assigned the least acceptable road condition and 20 is assigned the best. The goal of Chaves County is to maintain and preserve the eligible infrastructure roads at an average RSL Range of 6 to 10, or average to above average to good. The County's most recent assessment indicated that an overall RSL factor of 9.78 was achieved.

Additional information on the County's capital assets can be found in Note 6.

Debt Administration. At year-end, the County had \$5.5 million in long-term debt outstanding. The following table presents a summary of the County's outstanding long-term debt for the fiscal years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Bonds payable	\$ 1,815,000	\$ 2,995,000
Loans payable	<u>3,651,690</u>	<u>4,193,369</u>
Total	<u>\$ 5,466,690</u>	<u>\$ 7,188,369</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

State statutes currently limit the amount of general obligation debt a County may issue to 4% of its total taxable property for general purposes. The current debt limitation for general purposes for the County is \$47.5 million. The County has no general obligation debt outstanding.

Additional information on the County's long-term debt can be found in Notes 7 through 10.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the County's administration during the process of developing the fiscal year 2018-19 budget. Among them:

- The County enacted 1/12th increment beginning in January 2018.
- The 2017 average unemployment rate of Chaves County was 6.4% which is an increase of 0.3% from last year's 6.1%. This is less favorable than the state's unemployment rate of 6.2% and a less favorable rate compared to the national average rate of 4.4%.
- An increase of federal and local PILT at 2.22%.
- Inflationary trends in the region compare unfavorably to the national indices of 2.9%.

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund increased 2.36% to \$16.7 million in fiscal year 2018-19. A decrease in areas as in Agency Allocations; personnel cost plus direct employee benefits, contributed to the decrease.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Director, Chaves County, PO Box 1597, Roswell, New Mexico 88202-1597 or visit our website at <http://co.chaves.nm.us>.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 10,094,641
Investments	13,094,818
Receivables	3,313,486
Inventory	697,547
Prepaid items	324,861
Total current assets	27,525,353
Non-current assets	
Cash and cash equivalents - restricted	-
Investments - restricted	48,975,164
Capital assets, nondepreciable	52,597,184
Capital assets, depreciable, net	60,138,954
Total non-current assets	161,711,302
Total assets	189,236,655
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions and OPEB	5,879,362
LIABILITIES	
Current liabilities	
Accounts payable	904,555
Accrued payroll	669,969
Compensated absences	657,505
Loans payable	587,455
Bonds payable	1,215,000
Accrued interest payable	46,185
Total current liabilities	4,080,669
Non-current liabilities	
Compensated absences	54,991
Non-current portion of long-term debt	4,077,945
Net pension liability	20,493,394
Net OPEB liability	10,830,245
Total non-current liabilities	35,456,575
Total liabilities	39,537,244
DEFERRED INFLOWS OF RESOURCES	
Related to pensions and OPEB	4,699,073
NET POSITION	
Net investment in capital assets	106,855,738
Restricted for	
Special purposes (Note 2)	8,161,122
Debt service	4,474,555
Capital outlay	4,783,927
Nonexpendable	50,000,000
Unrestricted (deficit)	(23,395,642)
Total net position	\$ 150,879,700

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities					
General government	\$ 7,937,326	\$ 2,502,540	\$ 140,417	\$ -	\$ (5,294,369)
Public safety	14,597,822	117,322	2,677,774	178,484	(11,624,242)
Public works	8,025,120	60,894	-	736,829	(7,227,397)
Culture and recreation	104,773	-	-	-	(104,773)
Health and welfare	4,299,935	-	58,417	-	(4,241,518)
Interest on long-term debt	\$ 312,530	-	-	-	(312,530)
Total governmental activities	\$ 35,277,506	\$ 2,680,756	\$ 2,876,608	\$ 915,313	(28,804,829)

General Revenues

Taxes

Property taxes, levied for general purposes	9,844,911
Property taxes, levied for capital purposes	1,429,581
Gross receipts tax	14,740,064
Gasoline and motor vehicle taxes	1,561,917
Unrestricted federal aid	3,683,677
Investment income	1,013,633

Total general revenues 32,273,783

Changes in net position 3,468,954

Net position - beginning of year 160,275,351

Adoption of new accounting standard (Note 16) (12,864,605)

Net position - beginning of year, as restated 147,410,746

Net position - end of year \$ 150,879,700

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	General	Road	Indigent Hospital Claims	Detention Construction
ASSETS				
Cash and cash equivalents	\$ 6,028,467	\$ 901,231	\$ -	\$ 2,111,653
Cash and cash equivalents - restricted	-	-	-	-
Investments	1,064,753	-	619,822	-
Investments - restricted	-	-	-	475,164
Receivables	685,523	126,523	530,604	984,336
Inventory	-	680,811	-	-
Prepaid items	167,551	23,856	578	95,191
Interfund advances receivable	285,000	-	-	-
Total assets	<u>\$ 8,231,294</u>	<u>\$ 1,732,421</u>	<u>\$ 1,151,004</u>	<u>\$ 3,666,344</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 211,343	\$ 149,026	\$ 8,415	\$ 202,157
Accrued payroll	508,010	96,189	4,975	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	1,500,000
Total liabilities	<u>719,353</u>	<u>245,215</u>	<u>13,390</u>	<u>1,702,157</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>382,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	167,551	704,667	578	95,191
Restricted	-	782,539	1,137,036	1,868,996
Committed	-	-	-	-
Unassigned	<u>6,962,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>7,129,711</u>	<u>1,487,206</u>	<u>1,137,614</u>	<u>1,964,187</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,231,294</u>	<u>\$ 1,732,421</u>	<u>\$ 1,151,004</u>	<u>\$ 3,666,344</u>

STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

	County Permanent	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 997,021	\$ 10,038,372
Cash and cash equivalents - restricted	-	-	-
Investments	-	11,410,243	13,094,818
Investments - restricted	48,500,000	-	48,975,164
Receivables	-	986,500	3,313,486
Inventory	-	-	680,811
Prepaid items	-	37,687	324,863
Interfund advances receivable	1,500,000	155,691	1,940,691
Total assets	\$ 50,000,000	\$ 13,587,142	\$ 78,368,205
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Current liabilities			
Accounts payable	\$ -	\$ 324,801	\$ 895,742
Accrued payroll	-	60,796	669,970
Unearned revenues	-	-	-
Interfund advances payable	-	440,691	1,940,691
Total liabilities	-	826,288	3,506,403
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	92,134	474,364
FUND BALANCES			
Nonspendable	50,000,000	37,687	51,005,674
Restricted	-	10,848,116	14,636,687
Committed	-	1,782,917	1,782,917
Unassigned	-	-	6,962,160
Total fund balances	50,000,000	12,668,720	74,387,438
Total liabilities, deferred inflows of resources and fund balances	\$ 50,000,000	\$ 13,587,142	\$ 78,368,205

**STATE OF NEW MEXICO
CHAVES COUNTY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances - total governmental funds	\$	74,387,438
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets, net of accumulated depreciation		112,736,138
Deferred inflows and outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflow of resources related to pensions and OPEB		5,879,362
Deferred inflow of resources related to pensions and OPEB		(4,699,077)
Some revenues will not be available to pay for current period expenditures and, therefore, are not reported in the funds.		
Property taxes		474,364
The Internal service fund is used by management to charge the costs of supplies and services to individual departments. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Position.		
		64,195
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable		(46,185)
Accrued compensated absences payable		(712,496)
Bond premium payable		(22,167)
Loan premium payable		(391,543)
Bonds payable		(1,815,000)
Loans payable		(3,651,690)
Net pension liability		(20,493,394)
Net OPEB liability		(10,830,245)
Net position - total governmental activities	\$	<u>150,879,700</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	General	Road	Indigent Hospital Claims	Detention Construction
REVENUES				
Property taxes	\$ 9,779,247	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	572,165	1,011,790	-	-
Gross receipts tax	487,746	300,000	3,685,193	7,125,486
State grants and contributions	237,684	604,861	-	-
Federal grants and contributions	3,683,677	1,695	-	-
Charges for services	745,702	-	-	-
Licenses and fees	563,456	-	-	-
Investment income	1,005,423	-	-	5,397
Other	641,831	24,866	881	-
Total revenues	<u>17,716,931</u>	<u>1,943,212</u>	<u>3,686,074</u>	<u>7,130,883</u>
EXPENDITURES				
Current				
General government	5,909,167	-	-	-
Public safety	9,066,230	-	-	1,389,598
Public works	-	4,713,777	-	-
Culture and recreation	92,703	-	-	-
Health and welfare	41,674	-	3,970,463	-
Capital outlay	-	178,007	-	47,210
Debt service				
Principal	-	-	-	455,000
Interest and fees	158,352	-	-	146,570
Total expenditures	<u>15,268,126</u>	<u>4,891,784</u>	<u>3,970,463</u>	<u>2,038,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,448,805</u>	<u>(2,948,572)</u>	<u>(284,389)</u>	<u>5,092,505</u>
Other financing sources (uses)				
Transfers in	2,100,000	3,500,000	1,050,000	-
Transfers out	(1,305,000)	-	-	(4,500,000)
Total other financing sources (uses)	<u>795,000</u>	<u>3,500,000</u>	<u>1,050,000</u>	<u>(4,500,000)</u>
Change in fund balances	3,243,805	551,428	765,611	592,505
Fund balances, beginning of year	<u>3,885,906</u>	<u>1,093,423</u>	<u>372,003</u>	<u>1,371,682</u>
Changes in non-spendable resources				
Increase (decrease) in inventory	-	(157,645)	-	-
Fund balances, end of year	<u>\$ 7,129,711</u>	<u>\$ 1,487,206</u>	<u>\$ 1,137,614</u>	<u>\$ 1,964,187</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	County Permanent	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ -	\$ 1,416,458	\$ 11,195,705
Gasoline and motor vehicles taxes	-	-	1,583,955
Gross receipts tax	-	3,141,639	14,740,064
State grants and contributions	-	2,889,264	3,731,809
Federal grants and contributions	-	58,417	3,743,789
Charges for services	-	390,469	1,136,171
Licenses and fees	-	117,322	680,778
Investment income	-	2,813	1,013,633
Other	-	196,229	863,807
Total revenues	<u>-</u>	<u>8,212,611</u>	<u>38,689,711</u>
EXPENDITURES			
Current			
General government	-	380,197	6,289,364
Public safety	-	1,967,805	12,423,633
Public works	-	929,119	5,642,896
Culture and recreation	-	-	92,703
Health and welfare	-	271,403	4,283,540
Capital outlay	-	3,651,922	3,877,139
Debt service			
Principal	-	1,266,679	1,721,679
Interest and fees	-	130,546	435,468
Total expenditures	<u>-</u>	<u>8,597,671</u>	<u>34,766,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(385,060)</u>	<u>3,923,289</u>
Other financing sources (uses)			
Transfers in	-	2,357,113	9,007,113
Transfers out	-	(3,202,113)	(9,007,113)
Total other financing sources (uses)	<u>-</u>	<u>(845,000)</u>	<u>-</u>
Change in fund balances	<u>-</u>	<u>(1,230,060)</u>	<u>3,923,289</u>
Fund balances, beginning of year	<u>50,000,000</u>	<u>13,898,780</u>	<u>70,621,794</u>
Changes in non-spendable resources			
Increase (decrease) in inventory	<u>-</u>	<u>-</u>	<u>(157,645)</u>
Fund balances, end of year	<u>\$ 50,000,000</u>	<u>\$ 12,668,720</u>	<u>\$ 74,387,438</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Net change in fund balances - total governmental funds \$ 3,923,289

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 3,433,115	
Current year depreciation	<u>(3,576,538)</u>	(143,423)

Revenues in the governmental funds that provide current financial resources are not included in the Statement of Activities because they were recognized in a prior period.

Property taxes	\$78,787	
Other taxes	<u>(22,038)</u>	\$56,749

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bond principal retirement	1,180,000	
Loan principal retirement	<u>541,679</u>	1,721,679

Governmental funds report pension and OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension and OPEB liability, adjusted for deferred pension and OPEB items, is reported as pension and OPEB expenses in the Statement of Activities.

County pension contribution	1,590,019	
Pension expense	(2,774,114)	
County OPEB contribution	201,619	
OPEB expense	<u>(430,576)</u>	(1,413,052)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Inventory	(157,645)	
Loss on disposal of capital assets	(526,320)	
Compensated absences payable	12,430	
Amortization of debt items	101,290	
Accrued interest on long-term debt	<u>21,648</u>	(548,597)

Internal Service Fund is used by management to charge the costs of supplies and services to the individual departments. The change in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

(127,691)

Change in net position of governmental activities **\$ 3,468,954**

STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 8,711,558	\$ 8,711,558	\$ 9,002,341	\$ 290,783
Gasoline and motor vehicle taxes	541,031	541,031	558,879	17,848
Gross receipts taxes	700,000	700,000	487,746	(212,254)
State grants and contributions	62,084	228,183	237,684	9,501
Federal grants and contributions	3,642,383	3,642,383	3,683,677	41,294
Charges for services	543,000	763,600	636,207	(127,393)
Licenses and fees	430,750	526,107	563,456	37,349
Investment income	1,043,402	1,576,186	(94,577)	(1,670,763)
Other	550,000	596,606	653,527	56,921
Total revenues	16,224,208	17,285,654	15,728,940	(1,556,714)
EXPENDITURES				
Current				
General government	5,070,499	5,848,256	5,910,778	(62,522)
Public safety	9,986,010	9,871,585	9,061,204	810,381
Public works	-	-	-	-
Culture and recreation	141,572	124,499	92,703	31,796
Health and welfare	60,530	55,408	42,562	12,846
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	158,352	(158,352)
Total expenditures	15,258,611	15,899,748	15,265,599	634,149
Other financing sources (uses)				
Transfers in	-	1,048,750	1,048,750	-
Transfers out	-	(253,750)	(253,750)	-
Total other financing sources (uses)	\$ -	\$ 795,000	795,000	\$ -
Change in fund balance - budgetary basis			1,258,341	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			1,987,991	
Unbudgeted expenditure accruals			(2,527)	
Change in fund balance for funds budgeted separately from the General Fund			-	
Change in fund balance - GAAP Basis			\$ 3,243,805	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	1,055,000	1,055,000	952,688	(102,312)
Gross receipts taxes	300,000	300,000	300,000	-
State grants and contributions	1,162,345	1,162,345	604,861	(557,484)
Federal grants and contributions	2,997	2,997	1,695	(1,302)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	20,000	20,000	24,866	4,866
Total revenues	<u>2,540,342</u>	<u>2,540,342</u>	<u>1,884,110</u>	<u>(656,232)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	4,944,939	4,955,468	4,334,698	620,770
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	173,000	178,007	178,007	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>5,117,939</u>	<u>5,133,475</u>	<u>4,512,705</u>	<u>620,770</u>
Other financing sources				
Transfers in	-	3,500,000	3,500,000	-
Transfers out	-	-	-	-
Total other financing sources	<u>\$ -</u>	<u>\$ 3,500,000</u>	<u>3,500,000</u>	<u>\$ -</u>
Change in fund balance - budgetary basis			871,405	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			59,102	
Unbudgeted expenditure accruals			<u>(379,079)</u>	
Change in fund balance - GAAP Basis			<u>\$ 551,428</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
INDIGENT HOSPITAL CLAIMS FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 861,000	\$ 861,000	\$ -	\$ (861,000)
Gasoline and motor vehicle taxes	-	-	-	-
Gross receipts taxes	2,274,519	2,274,519	3,543,805	1,269,286
State grants and contributions	-	-	-	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	-	881	881
Total revenues	<u>3,135,519</u>	<u>3,135,519</u>	<u>3,544,686</u>	<u>409,167</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	4,113,066	4,113,066	3,980,534	132,532
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>4,113,066</u>	<u>4,113,066</u>	<u>3,980,534</u>	<u>132,532</u>
Other financing sources				
Transfers in	-	1,050,000	1,050,000	-
Transfers out	-	-	-	-
Total other financing sources	<u>\$ -</u>	<u>\$ 1,050,000</u>	<u>1,050,000</u>	<u>\$ -</u>
Change in fund balance - budgetary basis			614,152	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			141,388	
Unbudgeted expenditure accruals			<u>10,070</u>	
Change in fund balance - GAAP Basis			<u>\$ 765,610</u>	

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018

	Governmental Activities: Internal Service Funds
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 56,269
Inventory	16,736
Total assets	73,005
 LIABILITIES	
Current Liabilities	
Accounts payable	8,810
Total liabilities	8,810
 NET POSITION	
Unrestricted	64,195
Total net position	\$ 64,195

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities: Internal Service Funds
OPERATING REVENUES	
Sales of supplies	\$ 33,545
Charges for services	-
Total operating revenues	33,545
 OPERATING EXPENSES	
Supplies	27,319
Services	133,917
Total operating expenses	161,236
Operating income (loss)	(127,691)
Changes in net position	(127,691)
Net position, beginning of year	191,886
Net position, end of year	\$ 64,195

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Governmental Activities: Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from operating activities	
Cash received from sales of supplies and services	\$ 36,534
Cash payments to suppliers for goods and services	(161,215)
Net cash used in operating activities	(124,681)
Net decrease in cash and cash equivalents	(124,681)
Cash and cash equivalents, beginning of year	180,950
Cash and cash equivalents, end of year	\$ 56,269
Reconciliation of Operating Income (Loss) to	
Net Cash Provided By (Used In) Operating Activities	
Operating loss	\$ (127,691)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:	
Decrease in inventory	2,989
Increase in accounts payable	21
Total adjustments	3,010
Net cash used in operating activities	\$ (124,681)

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2018**

ASSETS

Cash and cash equivalents	\$ 473,762
Property taxes receivable	<u>1,812,284</u>

Total assets	<u>\$ 2,286,046</u>
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LIABILITIES

Deposits held for others	\$ 76,049
Due to taxing entities	<u>2,209,997</u>

Total liabilities	<u>\$ 2,286,046</u>
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**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chaves County (the County) is a political subdivision of the State of New Mexico established under the provisions of Section 4-4-1 of New Mexico Statutes Annotated, 1978 (NMSA) compilation, and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissioners-manager form of government and provides the following services as authorized by public law: public safety (police, fire, emergency medical, etc.), roads, health and social services, farm and range, recreation, property assessment, tourist promotion and general administrative services.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The County's significant accounting policies are described below.

A. Reporting Entity

The County's major operations include public safety, collection of and distribution of property taxes, farm and range, planning and zoning, certain health and social services, general administration services, and jail operations.

The financial reporting entity consists of a primary government and its component units. The County is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the County for financial statement presentation purposes, and the County is not included in any other governmental reporting entity. Consequently, the County's financial the financial activity of those organizational entities for which its elected governing body is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the County as a whole. The reported information includes all of the nonfiduciary activities of the County. For the most part, the effect of internal activity has been removed from these statements. These statements distinguish between governmental and business-type activities of the County. The County does not have any business-type activities. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. In addition, the fiduciary fund financial statements are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements, however the effect of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their exchange value. The County does not allocate indirect expenses to functions in the statement of activities.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, derived tax revenues, such as gross receipts, gasoline and motor vehicle taxes, are recognized as revenues when the underlying exchange transaction has occurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, gross receipts taxes, state shared taxes, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received.

Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenue also arises when resources are received by the County before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Property taxes recognized are net of estimated refunds and uncollectible amounts. Delinquent property taxes have been recorded as unavailable revenues. Receivables that will not be collected within the available period have also been reported as unavailable revenues on the governmental fund financial statements.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The County reports the following major governmental funds.

General Fund – This fund accounts all financial activities except those required to be accounted for in other funds. It is funded primarily through property, gross receipts and other miscellaneous taxes. The General Fund includes the County’s Hospital Aged Accounts and County Income Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Road Fund – This special revenue fund accounts for the motor vehicle fees flowing through the State, transfers from other funds, and other miscellaneous sources used to maintain county roads. (4-55A-40 through 43 NMSA 1978)

Indigent Hospital Claims Fund – This special revenue fund accounts for monies received from a countywide tax levy. Expenditures are restricted to the payment of approved claims and administrative costs. (Ordinance #18-6-85, 27-5-7 NMSA 1978)

Detention Construction Fund – This fund accounts for the construction of a new detention center. (Ordinance #39, 6-21-93)

County Permanent Fund – This fund accounts for monies transferred to the Permanent Fund that was established as a result of Ordinance #54 by the County Commissioners in accordance with Section 6-6-19, NMSA 1978 statutes of the State of New Mexico. The amount that may be deposited in the Permanent Fund is any portion of the unappropriated General Fund surplus that is in excess of 50% of the prior year’s budget of the County. At June 30, 1999, \$50,000,000 in corpus was established in the Permanent Fund; investment earnings on the Permanent fund are recorded in the County Income Fund.

Additionally, the County reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to the County’s purchase of bulk supplies and phone services which are then charged to the departments that utilize the supplies and services.

Fiduciary Fund – The Fiduciary Fund is an Agency Fund which accounts for resources held by the County for others. This fund is used to account for the collection and payment of property taxes and special fees to other governmental agencies.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Agency Fund is custodial in nature and does not have a measurement focus and is reported on the accrual basis of accounting.

D. Cash and Investments

For purposes of the Statement of Cash Flows, the County considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

New Mexico Statutes Annotated (NMSA) authorizes the County to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of New Mexico, counties, cities, school districts, and special districts as specified by statute.

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. NMSA empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. At the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The investment in the State of New Mexico local government investment pool approximates the value of the participant's pool share.

A significant portion of the cash and investments of funds of the County is pooled for investment purposes. Equity in pooled cash and investments includes amounts in demand deposit accounts, money market accounts, certificates of deposit, U.S. Treasury securities, and repurchase agreements secured by collateral with a market value greater than 102% of the value of the agreement. The securities are held by a third party in the County's name. Interest earned is allocated to the applicable County funds based on the County's policy of allocating interest to those funds which are required by law or by debt covenants. The remaining interest income is recorded in the General Fund.

Non-participating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

Certain resources set aside for the repayment of debt are classified as cash and investments – restricted on the statement of net position/balance sheet, because their use is limited by applicable bond and loan covenants. Trust accounts, recorded in the Revenue Bond Reserve Fund and the Detention Construction Fund, are used to segregate resources accumulated for future debt service payments for the 2007 Refunding Bonds, and the County Detention Center Loan with the New Mexico Finance Authority (NMFA) respectively.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Interfund balances between governmental funds are eliminated on the Statement of Net Position. All other outstanding balances between funds are reported as “due to/from other funds.” All receivables are shown net of allowance for uncollectibles.

The County is responsible for assessing, collecting and distributing property taxes for its own operational and debt service purposes and for certain outside entities. Taxes are levied on November 1 and are payable in two installments no later than November 10 and April 10. Unpaid property taxes attach as an enforceable lien on property thirty (30) days thereafter. Collections and remittance of property taxes are accounted for in the County Treasurer's Agency Fund. Amounts are recognized as revenue in the applicable governmental fund types under accounting principles generally accepted in the United States. The property taxes receivable for the General Fund and for the Flood Control Fund in the governmental fund financial statements are net of an allowance for uncollectible. Refunds related to the settlement of property tax protests are only recorded when the case is completed.

G. Inventory

Road inventories consist of materials used in the Road Department's operations and are valued using the average cost method. Other inventories consist of general supplies and are valued using the first-in/first-out (FIFO) method. Inventories are recorded as expenses/expenditures when consumed in the government-wide and fund financial statements.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

I. Capital Assets

Capital assets include land and improvements; buildings and improvements; plant; vehicles, furniture, and equipment; construction in progress; computer software; fine art; and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Information technology equipment including software, is capitalized and included in furniture, fixtures and equipment in accordance with State Law. The County defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Effective

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

July 1, 2006, State law requires capitalization of assets greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in any service concession arrangements are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Unpaved roads are not depreciated since once they are placed in operation, only annual maintenance is required to keep them operational for an indefinite period. Infrastructure assets are not depreciated as the County has elected to use the modified method in accounting for infrastructure assets. The modified method allows governments to report as expenses in lieu of depreciation, infrastructure expenditures that maintain the asset but do not add to nor improve the asset. Additions and improvements to infrastructure assets are capitalized. The County uses an asset management system to rate the condition of infrastructure assets and quantify the results of maintenance efforts. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Governmental capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	40
Buildings and improvements	40
Vehicles, furniture and equipment	5-30
Bridges	50

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

K. 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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Pensions (Continued)

they are reported by the plan. 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.

L. Postemployment Benefits Other Than Pensions (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 and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Compensated Absences

The County's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Employees accrue vacation leave with pay based upon years of service and accrue a maximum of eighty (80) hours of sick leave annually. In the event of termination, an employee is reimbursed for all accrued vacation. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

N. Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Debt premiums and discounts are amortized over the life of the debt using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the statement of activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Budgets

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration, Local Government Division. Amendments may include 1) budget increases, 2) transfers of budget or cash between funds, and 3) budget decreases. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, the legal level of budgetary control is the fund level. Expenditures may not legally exceed budgeted appropriations at the fund level.

The County budget is prepared primarily on a cash basis and therefore a reconciliation to generally accepted accounting principles (GAAP) is presented with each fund. Budgetary basis expenditures exclude encumbrances. The budget secures appropriations of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent year.

Q. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements the County applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

R. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2. FUND BALANCE CLASSIFICATIONS

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. Nonspendable balances typically include principal on permanent funds, inventories, and prepaid items.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by County Commissioner Ordinances. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action employed to previously commit those amounts (i.e., County Ordinance).

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2. FUND BALANCE CLASSIFICATIONS (CONTINUED)

Assigned. Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a management official delegated that authority by the County Commissioners. The County does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be restricted, committed, or assigned. The County applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the County's fund balance classifications at year-end.

	General Fund	Road Fund	Indigent Hospital Claims Fund	Detention Construction Fund	County Permanent Fund	Nonmajor Governmental Funds	Total
Fund Balances							
Nonspendable							
Inventory	\$ -	\$ 680,811	\$ -	\$ -	\$ -	\$ -	\$ 680,811
Prepaid	167,551	23,856	578	95,191	-	37,687	324,863
Permanent	-	-	-	-	50,000,000	-	50,000,000
Restricted							
Debt Service	-	-	-	-	-	3,474,555	3,474,555
Capital Projects	-	782,539	-	1,868,996	-	2,132,392	4,783,927
State/Federal Projects	-	-	-	-	-	220,471	220,471
Health services	-	-	1,137,036	-	-	-	1,137,036
Fire Protection	-	-	-	-	-	4,654,877	4,654,877
Law enforcement	-	-	-	-	-	319,525	319,525
Environmental services	-	-	-	-	-	46,296	46,296
Committed							
Capital projects	-	-	-	-	-	705,759	705,759
County assessor	-	-	-	-	-	858,906	858,906
County clerk	-	-	-	-	-	196,469	196,469
Law enforcement	-	-	-	-	-	21,783	21,783
Unassigned	<u>6,962,160</u>	-	-	-	-	-	<u>6,962,160</u>
Total fund balances	<u>\$ 7,129,711</u>	<u>\$ 1,487,206</u>	<u>\$ 1,137,614</u>	<u>\$ 1,964,187</u>	<u>\$ 50,000,000</u>	<u>\$ 12,668,720</u>	<u>\$ 74,387,438</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
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NOTE 3. CASH AND INVESTMENTS

At year-end, the carrying amount of the County's deposits was \$9,133,308 and the bank balance was \$9,658,991. The difference represents outstanding checks, deposits, and other reconciling items.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County has a deposit policy for custodial credit risk which follows New Mexico law. All deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The County's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). At year end, \$9,094,086 of the County's bank balance was exposed to custodial credit risk as uninsured and \$14,255,615 was collateralized with securities held by the pledging financial institution's trust department.

The pledged collateral by bank at year end consists of the following:

Deposits	\$ 9,658,991
FDIC coverage	<u>(564,905)</u>
Total unsecured public funds	<u>9,094,086</u>
50% collateral requirement	4,547,043
Pledged securities, fair value	<u>14,255,615</u>
Pledged amount (over) under requirement	<u><u>\$ (9,708,572)</u></u>

Fair Value Measurements. The County categorizes its fair value measurements 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

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end the County's investments consisted of the following:

Investment Type	Category	Fair Value	Investment Maturity in Years			Total	Credit Risk Concentration:
			Less than 1	1-5	6-10		
Money market - investments	N/A	\$ 64,905	\$ 64,905	\$ -	\$ -	\$ 64,905	0.10%
State investment pool	N/A	284,885	284,885	-	-	284,885	0.46%
Corporate bond	Level 2	17,827,535	3,439,996	14,387,539	-	17,827,535	28.72%
U.S. Treasuries	Level 2	15,596,475	7,719,036	7,877,439	-	15,596,475	25.13%
U.S. Agencies:							
Federal National Mortgage Assoc.	Level 2	10,778,736	3,082,651	7,696,085	-	10,778,736	17.37%
Federal Home Loan Mortgage Corp.	Level 2	8,903,925	1,387,093	7,516,832	-	8,903,925	14.34%
Federal Home Loan Bank	Level 2	3,989,975	1,047,806	2,942,169	-	3,989,975	6.43%
Federal Farm Credit Bank	Level 2	4,148,382	996,240	3,152,142	-	4,148,382	6.68%
Investments – NMFA Pooled Debt Service Account	Level 2	<u>475,164</u>	<u>475,164</u>	<u>-</u>	<u>-</u>	<u>475,164</u>	<u>0.77%</u>
Total		<u><u>\$62,069,982</u></u>	<u><u>\$ 18,497,776</u></u>	<u><u>\$43,572,206</u></u>	<u><u>\$ -</u></u>	<u><u>\$62,069,982</u></u>	<u><u>100.00%</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

GASB Statement No. 40, Deposit and Investment Risk Disclosures, relates to how deposits and investments are reported in the annual financial statements of government entities. These disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk.

The NM State Treasurer's Office (STO) provides the following information regarding the LGIP:

Credit Risk - With respect to credit risk, the LGIP is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

Concentration Risk - GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.

Foreign Currency Risk - GASB Statement No. 40 defines foreign currency risk as the potential that changes in exchange rates may adversely affect the fair value of an investment or deposit. The LGIP does not have any foreign currency risk as all investments are denominated in US dollars.

Interest Rate Risk - GASB Statement No. 40 defines interest rate risk as the potential that interest rate changes may adversely affect the fair value of an investment.

According to the Statement, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The STO uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.nmsto.gov. The value of the investment in the LGIP as of June 30, 2018, is the ending balance on the LGIP statements. The County's June 30, 2018 balance is as follows:

New Mexico LGIP AAAM Rated \$284,885 [50] day WAM (R); [100] day WAM (F)

STO's investment portfolio is posted on the State Treasurer's Office website, www.nmsto.gov, and available for review by participants at any time.

NOTE 4. RECEIVABLES

Governmental receivable balances, net of allowance for uncollectible accounts, as of year-end for the County's individual major governmental funds and nonmajor governmental funds in the aggregate were as follows:

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4. RECEIVABLES (CONTINUED)

	General		Indigent		Nonmajor Governmental Funds	Total
	Fund	Road Fund	Hospital	Detention		
			Claims Fund	Construction Fund		
Property taxes	\$ 493,986	\$ -	\$ -	\$ -	\$ 107,850	\$ 601,836
Gasoline and motor vehicle	25,987	126,523	-	-	-	152,510
Gross receipts	-	-	530,604	984,336	640,294	2,155,234
Accounts	78,280	-	-	-	-	78,280
Special assessments	<u>87,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,356</u>	<u>325,626</u>
Net receivables	<u>\$ 685,523</u>	<u>\$ 126,523</u>	<u>\$ 530,604</u>	<u>\$ 984,336</u>	<u>\$ 986,500</u>	<u>\$ 3,313,486</u>

NOTE 5. DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	General	Nonmajor	Total
	Fund	Governmental Funds	
Property taxes receivable	<u>\$ 382,230</u>	<u>\$ 92,134</u>	<u>\$ 474,364</u>
Total deferred inflows of resources	<u>\$ 382,230</u>	<u>\$ 92,134</u>	<u>\$ 474,364</u>

NOTE 6. CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows:

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6. CAPITAL ASSETS (CONTINUED)

Governmental Activities	Beginning Balance	Additions	Deletions	Transfers/ Reclassifi- cation	Ending Balance
Capital assets, not being depreciated					
Land	\$ 3,821,441	\$ -	\$ -	\$ -	\$ 3,821,441
Construction in progress	-	96,488	-	-	96,488
Infrastructure (paved and unpaved)	48,433,470	68,815	(465,211)	-	48,037,074
Fine art	<u>642,181</u>	-	-	-	<u>642,181</u>
Total capital assets, not being depreciated	<u>52,897,092</u>	<u>165,303</u>	<u>(465,211)</u>	-	<u>52,597,184</u>
Capital assets, being depreciated					
Land improvements	441,849	430,052	-	-	871,901
Buildings and improvements	64,532,387	34,722	-	-	64,567,109
Vehicles, furniture, and equipment	32,038,064	2,635,919	(1,362,499)	-	33,311,484
Bridges	<u>14,203,461</u>	<u>167,119</u>	-	-	<u>14,370,580</u>
Total capital assets being depreciated	<u>111,215,761</u>	<u>3,267,812</u>	<u>(1,362,499)</u>	-	<u>113,121,074</u>
Accumulated depreciation for					
Land improvements	(332,290)	(9,253)	-	-	(341,543)
Buildings and improvements	(20,401,928)	(2,001,494)	-	-	(22,403,422)
Vehicles, furniture, and equipment	(20,985,487)	(1,340,944)	1,301,390	-	(21,025,041)
Bridges	<u>(8,987,267)</u>	<u>(224,847)</u>	-	-	<u>(9,212,114)</u>
Total accumulated depreciation	<u>(50,706,972)</u>	<u>(3,576,538)</u>	<u>1,301,390</u>	-	<u>(52,982,120)</u>
Total capital assets, being depreciated, net	<u>60,508,789</u>	<u>(308,726)</u>	<u>(61,109)</u>	-	<u>60,138,954</u>
Governmental activities capital assets, net	<u>\$ 113,405,881</u>	<u>\$ (143,423)</u>	<u>\$ (526,320)</u>	<u>\$ -</u>	<u>\$ 112,736,138</u>

Governmental capital asset depreciation by function is as follows:

General government	\$ 602,453
Public safety	997,789
Public works	<u>1,976,296</u>
Total	<u>\$ 3,576,538</u>

Construction Commitments. The County had construction projects ongoing as of the fiscal year ended June 30, 2018 that are to continue into the following fiscal year. The projects include building construction for the flood department. At June 30, 2018, the County has commitments for construction of \$452,820. At year-end, the County had no significant contractual commitments related to capital projects.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7. BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding refunding bond. The bond is callable with interest payable semiannually. Gross receipts taxes as applicable from the respective debt service funds are used to pay bonded debt. In addition, the terms of the bond issuance require a \$1,000,000 reserve requirement which is reported in the Revenue Bond Reserve Fund.

Revenue bonds outstanding as reported in governmental-type activities at year-end were as follows:

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2018</u>	<u>Due within One Year</u>
Governmental Activities					
2007 Refunding Bonds	\$ 10,000,000	3.9%-4.1%	8/1/16-20	<u>\$ 1,815,000</u>	<u>\$ 1,215,000</u>

Annual debt service requirements to maturity on bonds at year-end are summarized as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,215,000	\$ 49,204
2020	<u>600,000</u>	<u>12,300</u>
Total	<u>\$ 1,815,000</u>	<u>\$ 61,504</u>

Pledged Revenues – Governmental Activities. The County has pledged future gross receipts tax revenues to repay outstanding refunding bonds of \$1.8 million as of June 30, 2018. Proceeds from the original bond issuances provided financing for the construction, furnishing, equipping, rehabilitating, and expanding and improving the County Courthouse and County Administrative buildings. The bonds are paid solely from the County’s gross receipts tax and are payable through 2020. Total annual principal and interest payments for all gross receipts tax revenue bonds are expected to require approximately 50% of gross receipts taxes recognized in the Revenue Bond #2 Fund. Total principal and interest to be paid on the bonds is \$1.88 million. The current total gross receipts tax revenues recognized in Revenue Bond #2 Fund were \$2.6 million and the total principal and interest paid on the bonds was \$1.3 million, or 50% of gross revenues.

NOTE 8. LOANS PAYABLE

NMFA Loans. The County entered into several debt finance agreements with New Mexico Finance Authority (NMFA) to purchase various equipment and fund construction projects. The principal and interest payments are recorded in the Detention Construction Fund, a major governmental fund, and the East Grand Plains Fire District, Midway Fire District, Sierra Fire District, and Chaves County Fire District #8 Funds (all nonmajor governmental funds). The NMFA loans are as follows:

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 8. LOANS PAYABLE (CONTINUED)

Description	Date of Issue	Maturity	Interest Rates	Original Amount of Issue	Balance June 30, 2018
District #8 Fire Equipment	March 2003	May 2023	3.00%	\$ 125,000	\$ 38,613
East Grand Plains Fire Equipment	April 2004	May 2024	3.66%-4.27%	269,708	102,203
Midway Fire Equipment	April 2009	May 2030	3.00%	162,400	108,657
East Grand Plains Fire Equipment	May 2011	May 2022	2.49%-3.86%	126,875	100,535
Country Detention Center Loan	June 2013	June 2023	4.10%-5.10%	4,725,000	2,615,000
Sierra Substation	July 2013	May 2033	1.00%-3.395%	619,613	492,834
Sierra Fire Truck	July 2014	May 2025	0.76%-2.93%	267,003	193,848
Total				<u>\$ 6,295,599</u>	<u>\$ 3,651,690</u>

Year ending June 30,	Principal	Interest	Total
2019	\$ 587,455	\$ 150,617	\$ 738,072
2020	610,227	128,865	739,092
2021	633,328	100,997	734,325
2022	661,762	77,012	738,774
2023	662,698	46,286	708,984
2024-28	286,106	54,888	340,994
2029-33	210,114	18,322	228,436
Total	<u>\$ 3,651,690</u>	<u>\$ 576,987</u>	<u>\$ 4,228,677</u>

NOTE 9. OBLIGATIONS UNDER OPERATING LEASES

The County leases heavy equipment for road maintenance, including road graders, front loaders, and water trucks. The County also leases copy machines for various departments. The County's monthly rental payments for operating leases totaled \$355,251 for the current fiscal year. The future minimum rental payments required under the operating leases at year end were as follows:

Year Ending June 30,	
2019	\$ 302,287
2020	282,605
2021	269,911
2022	304,502
Thereafter	<u>273,889</u>
Total minimum payments required	<u>\$ 1,433,194</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows:

	Balance as Originally Reported	Restatement	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Refunding revenue bonds	\$ 2,995,000	\$ -	\$ 2,995,000	\$ -	\$ 1,180,000	\$ 1,815,000	\$ 1,215,000
Bond premium payable	45,149	-	45,149	-	22,982	22,167	-
Total bonds payable	<u>3,040,149</u>	<u>-</u>	<u>3,040,149</u>	<u>-</u>	<u>1,202,982</u>	<u>1,837,167</u>	<u>1,215,000</u>
Loans payable	4,193,369	-	4,193,369	-	541,679	3,651,690	587,455
Loan premium payable	469,851	-	469,851	-	78,308	391,543	-
Total loans payable	<u>4,663,220</u>	<u>-</u>	<u>4,663,220</u>	<u>-</u>	<u>619,987</u>	<u>4,043,233</u>	<u>587,455</u>
Net pension and OPEB liabilities	25,084,656	12,864,605	37,949,261	-	(6,625,622)	31,323,639	-
Compensated absences	724,926	-	724,926	567,686	580,116	712,496	657,505
Total	<u>\$ 33,512,951</u>	<u>\$ 12,864,605</u>	<u>\$ 46,377,556</u>	<u>\$ 567,686</u>	<u>\$ (4,222,537)</u>	<u>\$ 37,916,535</u>	<u>\$ 2,459,960</u>

NOTE 11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances –

Fire and Ambulance Excise Tax Fund:

In a prior year, the Sierra Fire District Fund, a nonmajor governmental fund, borrowed resources from the Fire and Ambulance Excise Tax Fund, a nonmajor governmental fund, to purchase fire equipment. The advance is payable over 10 years at a 3% interest rate. As of June 30, 2018, advances outstanding were \$5,691 and interest paid during the fiscal year was \$336.

Permanent Fund:

In a prior year, the County Commissioners adopted Ordinance O-092 in a public hearing authorizing the purchase of a \$4.0 million promissory note by the Permanent Fund. The proceeds of the note were placed in the Detention Construction Fund to provide funds for the construction, expansion and improvement of the Chaves County Detention Center. The promissory note is considered a municipal security held in the Permanent Fund investment portfolio and is in accordance with the County Investment Policy and 6-10-10, NMSA 1978.

The promissory note specifies a four-year repayment term with a stated interest rate of 1.60%. Repayments began January 13, 2016 and consist of semi-annual principal payments of \$500,000 with a final maturity date of July 13, 2019. As of June 30, 2018, advances outstanding were \$1,500,000 and interest paid during the fiscal year was \$36,000.

Interfund Transfers – Interfund transfers were utilized by the County during the fiscal year, as approved in the annual budget, to transfer resources for expenditure purposes. Transfers made were as follows:

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

	Transfers In					Total
	Major Funds					
	General Fund	Road Fund	Indigent Hospital Claims	Detention Construction Fund	Nonmajor Governmental Fund	
Transfers out						
General Fund	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 5,000	\$ 1,305,000
Detention Construction Fund	1,100,000	2,200,000	1,050,000	-	150,000	4,500,000
Nonmajor Governmental Funds	1,000,000	-	-	-	2,202,113	3,202,113
Total	<u>\$ 2,100,000</u>	<u>\$ 3,500,000</u>	<u>\$ 1,050,000</u>	<u>\$ -</u>	<u>\$ 2,357,113</u>	<u>\$ 9,007,113</u>

Transfers between funds were used to (1) move gross receipts taxes collected in the Revenue Bond #2 Fund to the 2007 Refunding Bond Fund (both nonmajor governmental funds) for the payment of bond principal and interest, (2) to move the excess resources (as permitted by bond covenants and statute) from the Revenue Bond #2 to the Capital Outlay Fund to facilitate various capital projects, (3) to move resources from the General Fund to the Road Fund and other funds to facilitate various capital projects, (4) to move resources from the Detention Construction Fund to the General Fund to restore fund balances used in the financing of construction project, (5) to move resources from the Detention Construction Fund to Indigent Health Care to cover inmates health expenses. Transfers were done in FY 2018-2019 that were affected by this fiscal year's end of the year processes.

NOTE 12. CONTINGENT LIABILITIES

Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Lawsuits – The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 13. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County belongs to the New Mexico County Insurance Authority (NMCIA), a public entity risk pool currently operating as a common risk management and insurance program for its member counties. The County pays an annual premium to NMCIA for all its general, property, liability, and workers' compensation insurance coverage.

The agreement for formation of the NMCIA provides that NMCIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of amounts that range from \$150,000 for property to \$300,000 for other liability claims.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
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NOTE 13. RISK MANAGEMENT (CONTINUED)

The County carries commercial insurance for all other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The County has established a self-insured dental program for employees, employees' spouses, and their dependents. Payments are made to BenefitSource for 100% of preventative services, 80% of basic services, and 50% of major services and have a maximum of \$1,000 per enrolled person on a contract year basis. During the year, the County General Fund paid claims in the amount of \$120,118 and administrative fees of \$10,882. All claims handling procedures are performed by a third-party claims administrator. Unpaid claims have not been accrued as they are not significant to the financial statements.

NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description. The Public Employees Retirement Association (PERA) Fund is a cost-sharing, multiple employer defined benefit pension plan. The Fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plans. 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 the plan. Certain coverage plans are only applicable to a specific division.

Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained from the PERA website at <http://www.pera.state.nm.us/>.

Benefits Provided. The County participates in two PERA plans: Municipal General Plan 4 and Municipal Police Plan 5. State statute establishes benefit terms for the PERA Fund. The following table provides a summary of eligibility criteria, benefits, and contribution rates:

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NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

	Municipal General Plan 4		Municipal Police Plan 5	
	Tier I	Tier II	Tier I	Tier II
Highest average salary	3 years	5 years	3 years	5 years
Years of service and age of eligibility	25 years any age Various ages 61-64 5 years age 65	Rule of 85 8 years age 65	20 years any age Various ages 61-64 5 years age 65	25 years any age 6 years age 60
Vesting period	5 years	8 years	5 years	8 years
Benefit percent per year of service	3.00%	2.50%	3.50%	3.00%
Maximum benefit as percent of final average salary	90%	90%	90%	90%
Annual cost of living adjustment	2.0% with graduated eligibility period	2.0% with 7-year eligibility period	2.0% with graduated eligibility period	2.0% with 7-year eligibility period
Required contribution rates:				
Employer	12.05%	12.05%	18.90%	18.90%
Employee < \$20,000	15.65%	15.65%	16.30%	16.30%
Employee > \$20,000	17.15%	17.15%	17.80%	17.80%

Contributions. The contribution requirements of PERA Fund members are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. The combined employee and employer contribution rates (listed in the table above) are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. The County's contributions to the Municipal General Plan 4 and Municipal Police Plan 5 pension plans for the year ended June 30, 2018 were \$1,195,678 and \$394,341, respectively.

NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

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NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

The assets of the PERA Fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to Chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows of resources were performed separately for each of the membership groups.

The County’s proportionate share of the net pension liability for each of the County’s membership groups is based on the share of the County’s employer contributions relative to each membership group’s total employer contributions for the fiscal year ended June 30, 2017. Only employer contributions for the pay period end dates that fell within the period of July 1, 2016 to June 30, 2017 were included in the total contributions for a specific employer. Employer contributions on behalf of the employee were excluded from the calculation. In the event that a participating employer is behind in its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions for the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

The County’s proportionate share of each PERA plan’s net pension liability, and each plan’s annual pension expense, as of and for the year ended June 30, 2018 are shown in the table below. The County’s proportionate share in the Municipal General Plan 4 decreased 0.02600% from the prior year and the County’s proportionate share in the Municipal Police Plan 5 decreased 0.00150% from the prior year.

PERA Plan	Net Pension Liability and Pension Expense		
	Proportionate Share of Net Pension Liability	Percent of Net Pension Liability	Pension Expense
Municipal General Plan 4	\$ 15,472,192	1.1260%	\$ 1,999,506
Municipal Police Plan 5	<u>5,021,202</u>	0.9038%	<u>774,608</u>
	<u>\$ 20,493,394</u>		<u>\$ 2,774,114</u>

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NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the County’s PERA Fund divisions:

	Municipal General Plan 4		Municipal Police Plan 5	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 607,953	\$ 792,441	\$ 304,963	\$ 938,162
Net difference between projected and actual earnings on pension plan investments	1,269,400	-	404,389	-
Changes of assumptions or other inputs	713,498	159,884	298,745	116,760
Changes in proportion and differences between between contributions and proportionate share of contributions	281,355	220,977	207,421	5,911
Contributions subsequent to the measurement date	<u>1,195,678</u>	<u>-</u>	<u>394,341</u>	<u>-</u>
Total	<u>\$ 4,067,884</u>	<u>\$ 1,173,302</u>	<u>\$ 1,609,859</u>	<u>\$ 1,060,833</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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 Ending June 30,	Municipal General Plan 4	Municipal Police Plan 5
	2019	\$ 522,325
2020	1,397,876	296,715
2021	149,678	(148,705)
2022	(370,975)	(118,238)
2023	-	-

Actuarial Assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2016 for each of the membership groups. Using the information from the June 30, 2016 valuation, each PERA Fund member group pension liability was rolled forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016.

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NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

The following actuarial methods and assumptions were adopted by the PERA Board for use in the June 30, 2017 actuarial valuation:

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for first 9 years, then 3.25% annual rate
Projected salary increases	2.75% to 14% annual rate
Includes inflation at	2.25% annual rate for first 9 years, then 2.75% all other yea
Mortality Assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience study dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 30, 2016 (economic) July 1, 2010 through June 20, 2015 (economic)

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

<u>ALL FUNDS- Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	43.5%	7.39%
Risk reduction and mitigation	21.5	1.79
Credit oriented fixed income	15	5.77
Real assets	20	7.35
Total	<u>100%</u>	

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NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

Discount Rate. A single discount rate of 7.51% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.51%, 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the employer name’s proportionate share of the net pension liability calculated using the discount rate of 7.51%, as well as what the employer name’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.51%) or 1percentage-point higher (8.51%) than the current rate:

Proportionate Share of Net Pension Liability:	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
Municipal General Plan 4	\$ 24,250,035	\$ 15,472,192	\$ 8,172,195
Municipal Police Plan 5	<u>8,007,424</u>	<u>5,021,202</u>	<u>2,570,565</u>
Total	<u>\$ 32,257,459</u>	<u>\$ 20,493,394</u>	<u>\$ 10,742,760</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA financial report. The report is available on the PERA website at <http://www.pera.state.nm.us/>.

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTHCARE PLAN

Plan description. Employees of the County 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.

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NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTHCARE PLAN (CONTINUED)

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

Employees covered by benefit terms. At June 30, 2017, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	<u>97,349</u>
	<u>160,035</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
	<u>97,349</u>

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 County were \$201,619 for the year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2018, the County reported a liability of \$10,830,245 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the County’s proportion was 0.23899%.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTHCARE PLAN (CONTINUED)

For the year ended June 30, 2018, the County recognized OPEB expense of \$430,576. At June 30, 2018, the County 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
Difference between expected and actual experience	\$ -	\$ 415,607
Differences between actual and projected earnings on OPEB plan investments	-	115,801
Changes of assumptions	-	1,893,530
Contributions made after the measurement date	201,619	-
Total	\$ 201,619	\$ 2,424,938

Deferred outflows of resources totaling \$201,619 represent County 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30,	
2019	\$ (524,063)
2020	(524,063)
2021	(524,063)
2022	(524,063)
2023	(368,686)
Total	\$ (2,464,938)

**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
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NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTHCARE PLAN (CONTINUED)

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

Valuation Date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	20%	4.1%
U.S. equity - large cap	20%	9.1%
Non U.S. - emerging markets	15%	12.2%
Non U.S. - developed equities	12%	9.8%
Private equity	10%	13.8%
Credit and structured finance	10%	7.3%
Real estate	5%	6.9%
Absolute return	5%	6.1%
U.S. equity - small/mid cap	3%	9.1%

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NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – STATE RETIREE HEALTHCARE PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the Fund’s total OPEB liability is 3.81% as of June 30, 2017. 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, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

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 County, as well as what the County’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81%) or 1-percentage-point higher (4.81%) than the *current discount rate*:

1% Decrease (2.81%)	Current Discount (3.81%)	1% Increase (4.81%)
\$ 13,136,919	\$ 10,830,245	\$ 9,020,453

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

1% Decrease	Current Trend Rates	1% Increase
\$ 9,211,870	\$ 10,830,245	\$ 12,092,178

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, 2017.

NOTE 16. RESTATEMENT OF NET POSITION – ADOPTION OF NEW ACCOUNTING STANDARD

The Governmental Accounting Standards Board (GASB) issued a new accounting pronouncement (Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*) effective for the year ended June 30, 2018. The implementation of GASB 75 has created a restatement of the County’s beginning net position.

As a cost-share employer participating the Retiree Health Care Authority (Plan or “RHCA”) (see Note 15), the County is required to, and has included, in its June 30, 2018 financial statements, the pro rata share of the Plan’s collective “Net Retiree Healthcare Liability”. This share represents the difference between the Plan’s “Total Plan Liability” and the Plan’s “Net Plan Position”, reported at the market value of the investment assets.

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NOTE 16. RESTATEMENT OF NET POSITION – ADOPTION OF NEW ACCOUNTING STANDARD (CONTINUED)

With the adoption of the new accounting pronouncement, the County has reduced its Unrestricted Net Position the beginning of the fiscal year in the amount of \$12,864,605, as shown on the government-wide Statement of Activities.

NOTE 17. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS

GASB has issued the following statements, which are applicable in future years. At this time, management has not determined the impact, if any, on the County.

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect future financial statements.

In January 2017, GASB Statement No. 84, *Fiduciary Activities* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect future financial statements.

In June 2017, GASB Statement No. 87, *Leases* was issued. Effective Date: For reporting periods beginning after December 15, 2019. The County is still evaluating how this pronouncement will affect future financial statements.

In March 2018, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect future financial statements.

In June 2018, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect future financial statements.

In August 2018, GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and 61* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect future financial statements.

NOTE 18. TAX ABATEMENTS

Abatements of Other Governments. The County is subject to tax abatements granted by the Board of Commissioners and the City of Roswell through the Industrial Revenue Bond Act. This program has the stated purposes of promoting industry and trade other than retail trade in the county and municipalities.

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NOTE 18. TAX ABATEMENTS (CONTINUED)

Industrial Revenue Bonds. Under the Industrial Revenue Bond Act [3-32 NMSA 1978], the Board of Commissioners or the City Council can vote to induce an industrial revenue bond in order to induce a manufacturing, industrial, or commercial enterprise to locate or expand in that region, by financing a specified project. The County or the City may include in the agreement a stipulation of an amount or a percentage reduction of property taxes, which can be as much as 100%. This reduction or exemption is applicable for the life of the bond issue, not to exceed 30 years from the date the bonds were issued and is a significant benefit for borrowers that would not otherwise qualify for a property tax exemption under other constitutional or statutory provisions. Information relevant to disclosure of those programs for the fiscal year ended June 30, 2018 are presented on the following pages:

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NOTE 18. TAX ABATEMENTS (CONCTINUED)

Agency Number	5003	5003
Agency Name	Chaves County	Chaves County
Agency Type	County Government	County Government
Tax Abatement Agreement Name	Roswell Solar Series 2015A	Anderson Wind Farm Series 2012
Recipient(s) of tax abatement	Roswell Solar LLC	Anderson Wind Farm
Parent company(ies) of recipient(s) of tax	Roswell Solar LLC	Anderson Wind Farm
Tax abatement program (name and brief Specific Tax(es) Being Abated	Taxable Industrial Revenue Bonds Property tax	Taxable Industrial Revenue Bonds Property tax
Legal authority under which tax abatement agreement was entered into	County Industrial Revenue Bond Act, Sections 4-59-1 to 4-59-16, NMSA 1978	County Industrial Revenue Bond Act, Sections 4-59-1 to 4-59-16, NMSA 1978
Criteria that make a recipient eligible to receive a tax abatement	Providing electrical energy and PILOT direct funds.	Providing electrical energy and PILOT direct funds.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of	Taxes are abated to a total reduction of Ad-Valorem Tax.	Taxes are abated to a total reduction of Ad-Valorem Tax.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability,	Net personal and real capital asset costs less depreciation times tax rates	Net personal and real capital asset costs less depreciation times tax rates
Are there provisions for recapturing abated taxes? (Yes or No)	No	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for	NA	NA
List each specific commitment made by the recipient of the abatement.	Construction of Solar Panels North East of Roswell. Will provide 70 Mega watts of Power to the Utility electrical Grid.	Construction of wind generators providing electrical power to the local grid.
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	The total amount of revenue lost in Property tax is \$812,983	The total amount of revenue lost in Property tax is \$67,649
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is	NMSA §4-59 County Industrial Revenue Bond Act. To be received annually by December 13 through 2046.	NMSA §4-59 County Industrial Revenue Bond Act. To be received annually by February 1st through 2041.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current	\$396,000	\$15,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current	N/A	N/A
List each specific commitment made by your agency or any other government, other than the	N/A	N/A
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such	Yes, ENMU, State of New Mexico, Roswell Independent Schl. District	Yes, ENMU, State of New Mexico, Lake Arthur Municipal Schools
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None Omitted	None Omitted

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NOTE 18. TAX ABATEMENTS (CONTINUED)

Agency Number	5003	5003
Agency Name	Chaves County	Chaves County
Agency Type	County Government	County Government
Tax Abatement Agreement Name	AC Nutrition Series 2000	San Juan Mesa Wind Series 2005
Recipient(s) of tax abatement	AC Nutrition	San Juan Mesa Wind Farm
Parent company(ies) of recipient(s) of tax	Standard Nutrition	NRG Energy Inc,
Tax abatement program (name and brief	Taxable Industrial Revenue Bonds	Taxable Industrial Revenue Bonds
Specific Tax(es) Being Abated	Property tax	Property tax
Legal authority under which tax abatement agreement was entered into	County Industrial Revenue Bond Act, Sections 4-59-1 to 4-59-16, NMSA 1978	County Industrial Revenue Bond Act, Sections 4-59-1 to 4-59-16, NMSA 1978
Criteria that make a recipient eligible to receive a tax abatement	Providing agricultural nutrition	Providing electrical energy and PILOT direct funds.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of	Taxes are abated to a total reduction of Ad-Valorem Tax.	Taxes are abated to a total reduction of Ad-Valorem Tax.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability,	Net personal and real capital asset costs less depreciation times tax rates	Net personal and real capital asset costs less depreciation times tax rates
Are there provisions for recapturing abated taxes? (Yes or No)	No	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for	NA	NA
List each specific commitment made by the recipient of the abatement.	Construction of a more efficient animal nutrition facility servicing the agricultural area.	The construction of a wind farm and supporting towers rotors, nacelles equipment for generating and transporting electricity.
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	The total amount of revenue lost in Property tax is \$4,630	The total amount of revenue lost in Property tax is \$61,542
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is	N/A	NMSA §4-59 County Industrial Revenue Bond Act. To be received annually by December 1st through 2025.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current	\$0	\$25,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current	N/A	N/A
List each specific commitment made by your agency or any other government, other than the	N/A	N/A
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such	Yes, ENMU, State of New Mexico, Roswell Independent Schl. District, Soil & Water Conservation	Yes, State of New Mexico, Elida Public Schools
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None Omitted	None Omitted

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
JUNE 30, 2018**

Modified Approach for County Streets Infrastructure Capital Assets

The County has elected to use the “Modified Approach” as defined by GASB Statement No. 34 for infrastructure reporting for its Streets Pavement System. The County excludes unkept and unpaved roads from this approach. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The County manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) ability to perform condition assessments and summarize the results using a measurement scale; and (3) ability to estimate annual amount to maintain and preserve at the established condition assessment level.
- The County documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

Chaves County maintains 488.10 miles of chip sealed/paved roadways and 911.473 miles of unpaved roadways. The goal of the Chaves County Road Department is to develop and provide a cost-effective pavement maintenance and rehabilitation program that preserves the County’s investment in its road network and enhances public transportation and safety. The chip sealed roadway surface on the County’s paved roads is expected to have a life of approximately 10 years. In order to prevent the chip seal road surface from failing completely, and requiring complete reconstruction, the County attempts to resurface these roads every 7 years. This goal requires the County to resurface approximately 69 miles of paved roads each year.

Due to the increasing road maintenance material costs, increasing fuel and labor costs and relatively flat road revenues, Chaves County, in recent years, has not been able to meet these goals. Due to the unforeseen delays in the start date for the 2017/2018 chip seal season, Chaves County has only been able to complete 4.49 miles in the current fiscal year. Approximately 60 miles will be carried over, costing \$1,132,102 (with the LGRF Funding portion covering \$479,903), leaving Chaves County with a remaining balance of \$652,199. The NMDOT LGRF funding for Chaves County has increased by 49% over the past two years which will allow the County to perform more chip seal applications without encountering as much cost to the County.

The County is continuously taking actions to increase the life of its paved roads with short-term maintenance such as pothole patching, culvert and cattle guard repairs and replacement. This includes drainage and grading of the unpaved roads including ditches and turnouts. In addition, in fiscal year 2012/2013, the County implemented the NMDOT pavement evaluation process to better monitor and maintain the pavement life.

Chaves County utilizes a Pavement Management System. The County’s Pavement Management System’s purpose is to develop a cost-effective rehabilitation program that preserves the County’s road investment and enhances public transportation and safety. Each road segment is evaluated using 5 different road distress factors: Fatigue (Distress, Raveling & Weathering), Cracking (Longitudinal and Transverse), Edge Cracking and Patching. All of these factors are rated and combined to obtain a Pavement RSL (Remaining Service Life) Factor. This factor is then assigned to each segment of road and expressed in a continuous scale from 0 to 20, which 0 is assigned the least acceptable road condition and 20 is assigned the best.

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
JUNE 30, 2018**

The following conditions were defined:

<u>Condition</u>	<u>RSL Range</u>
Excellent - Very Good	20 - 10
Good - Above average	10 - 8
Average	8 - 6
Below average - Poor	6 - 4
Very poor - Needs immediate work	4 - 0

The most recent assessment of all eligible roads was completed in November 2015 by the Chaves County Road Department. The goal of Chaves County is to maintain and preserve the eligible infrastructure roads at an average RSL Range of 6 to 10, or average to above average to good. The following table summarizes the results of these assessments:

<u>Condition</u>	<u>RSL Range</u>	<u>2015-16 % of Road</u>	<u>2012-13 % of Road</u>
Excellent - Very Good	20 - 10	3.92%	70.91%
Above average - Good	10 - 8	73.89%	11.97%
Average	8 - 6	16.28%	10.02%
Below average - Poor	6 - 4	4.42%	2.91%
Very poor - Needs immediate work	4 - 0	1.49%	4.19%
Average RSL Rating		9.78%	8.79%

The County performs the complete condition assessment on a three-year cycle. Accordingly, the County's third condition assessment will be performed during fiscal year ended June 30, 2019.

The County is continuously taking action to stop road deterioration through short-term maintenance activities such as pothole and blade patching. In order to prevent the chip seal road surface from failing completely and requiring complete reconstruction, the County attempts to resurface roads every 7 years. This goal requires resurfacing approximately 69 miles of paved roads each year. Due to the increasing road maintenance costs, increasing fuel and labor costs and relatively flat road revenues, Chaves County in recent years has not been able to meet these goals. The remaining miles that are not resurfaced are forwarded into next year's schedule and reevaluated to determine the roads that need treatment the most.

During fiscal year 2018, nine (9) County roads (10.37 miles) were vacated and removed from inventory and one (1) road (.75 mile) was added to the unpaved roads list for a total of 911.473 miles. Eleven (11) unpaved County roads were chip sealed and added to the paved/chip sealed list for a total of 488.10 miles. Only 4.49 miles (\$85,000) were chip sealed utilizing Local Government Road Fund Program funding. No additional miles (\$0) were chip sealed utilizing County Funds. The remaining 76.79 miles, of the County's re-surfacing goal of 81.28 miles, were carried over into fiscal year 2019.

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
JUNE 30, 2018**

A schedule of estimated annual amounts calculated to maintain and preserve our roads at the current level compared to actual expenditures for road maintenance for the last six years is presented below:

Fiscal Year	Estimated Miles	Actual Miles	Estimated Expenditures	Actual Expenditures
2012/2013	76.61	23.81	\$ 1,440,268	\$ 760,931
2013/2014	45.00	64.34	1,330,653	1,004,275
2014/2015	64.00	40.29	1,084,833	934,629
2015/2016	88.00	80.54	1,547,070	1,727,689
2016/2017	101.50	35.19	1,427,312	679,225
2017/2018	65.48	4.49	1,235,501	85,000
2018/2019	75.00	N/A	1,432,986	N/A

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PENSION PLAN
LAST 10 FISCAL YEARS* (UNAUDITED)**

Fiscal Year Measurement Date	June 30,			
	2018	2017	2016	2015
	2017	2016	2015	2014
Municipal General Plan				
County's proportion of the net pension liability	1.12600%	1.15200%	1.13000%	1.08990%
County's proportionate share of the net pension liability	\$ 15,472,192	\$ 18,405,083	\$ 11,347,999	\$ 8,502,390
County's covered employee payroll	\$ 8,135,052	\$ 7,830,984	\$ 7,319,075	\$ 6,948,721
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	190.19%	235.03%	155.05%	122.36%
Municipal Police Plan				
County's proportion of the net pension liability	0.90380%	0.90530%	0.87740%	0.77530%
County's proportionate share of the net pension liability	\$ 5,021,202	\$ 6,679,573	\$ 4,219,031	\$ 2,527,394
County's covered employee payroll	\$ 1,932,311	\$ 1,805,938	\$ 1,720,334	\$ 1,493,108
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	259.85%	369.87%	245.24%	169.27%
County Total				
County's proportionate share of the net pension liability	\$ 20,493,394	\$ 25,084,656	\$ 15,567,030	\$ 11,029,784
County's covered employee payroll	\$ 10,067,363	\$ 9,636,922	\$ 9,039,409	\$ 8,441,829
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	203.56%	260.30%	172.21%	130.66%
Plan fiduciary net position as a percentage of total pension liability	69.18%	61.58%	76.99%	81.29%

* The amounts presented were determined as of June 30. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available. The first year available is fiscal year 2015.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PENSION PLAN
LAST 10 FISCAL YEARS* (UNAUDITED)**

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Municipal General Plan				
Contractually required contributions	\$ 1,195,678	\$ 980,274	\$ 943,634	\$ 881,948
Contributions in relation to contractually required contributions	\$ 1,195,678	\$ 980,274	\$ 943,634	\$ 881,948
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Municipal Police Plan				
Contractually required contributions	\$ 394,341	\$ 365,207	\$ 341,220	\$ 325,143
Contributions in relation to contractually required contributions	\$ 394,341	\$ 365,207	\$ 341,220	\$ 325,143
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County Total				
Contractually required contributions	\$ 1,590,019	\$ 1,345,481	\$ 1,284,854	\$ 1,207,091
Contributions in relation to contractually required contributions	\$ 1,590,019	\$ 1,345,481	\$ 1,284,854	\$ 1,207,091
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* The amounts presented were determined as of June 30. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available. The first year available is fiscal year 2015.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
NEW MEXICO RETIREEE HEALTH CARE AUTHORITY (RHCA) PLAN
LAST 10 FISCAL YEARS* (UNAUDITED)**

	Fiscal Year	June 30,
	Measurement Date	2018 2017
Proportion of the net OPEB liability		0.23899%
Proportionate share of the net OPEB liability		\$ 10,830,245
Covered employee payroll		\$ 9,955,481
Proportionate share of the net OPEB liability as a percentage of covered employee payroll		108.79%
Plan fiduciary net position as a percentage of the total OPEB liability		11.34%

*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 County will present information for those years for which information is available. The first year available is fiscal year 2018.

STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF THE COUNTY'S OPEB CONTRIBUTIONS
NEW MEXICO RETIREEE HEALTH CARE AUTHORITY (RHCA) PLAN
LAST 10 FISCAL YEARS* (UNAUDITED)

	June 30, 2018
Contractually required contribution	\$ 758,905
Contributions in relation to the contractually required contribution	<u>\$ 380,886</u>
Contribution deficiency	<u>\$ 378,019</u>
Covered employee payroll	\$ 9,955,481
Contributions as a percentage of covered employee payroll	3.83%

*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 County will present information for those years for which information is available. The first year available is fiscal year 2018.

STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2018

NOTE 1. PENSION PLAN SCHEDULES

PERA PLAN

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

Changes of benefit assumptions. The PERA Annual Actuarial Valuations as of the June 2017 report is available at <http://www.nmpera.org>.

RHCA PLAN

Changes in benefit provisions. There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

Changes in assumptions and methods. There were no modifications to the assumptions and methods as this is the first year of adoption of the OPEB accounting standard.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 882,815	\$ 16,179	\$ 98,027	\$ 997,021
Cash and cash equivalents - restricted	-	-	-	-
Investments	8,332,471	3,077,772	-	11,410,243
Investments - restricted	-	-	-	-
Receivables	455,896	530,604	-	986,500
Inventory	-	-	-	-
Prepaid items	37,687	-	-	37,687
Interfund advances receivable	5,691	-	150,000	155,691
Total assets	<u>\$ 9,714,560</u>	<u>\$ 3,624,555</u>	<u>\$ 248,027</u>	<u>\$ 13,587,142</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 158,753	\$ -	\$ 166,048	\$ 324,801
Accrued payroll	60,796	-	-	60,796
Unearned revenues	-	-	-	-
Interfund advances payable	290,691	150,000	-	440,691
Total liabilities	<u>510,240</u>	<u>150,000</u>	<u>166,048</u>	<u>826,288</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	92,134	-	-	92,134
FUND BALANCES				
Nonspendable	37,687	-	-	37,687
Restricted	7,373,561	3,474,555	-	10,848,116
Committed	1,700,938	-	81,979	1,782,917
Unassigned	-	-	-	-
Total fund balances	<u>9,112,186</u>	<u>3,474,555</u>	<u>81,979</u>	<u>12,668,720</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,714,560</u>	<u>\$ 3,624,555</u>	<u>\$ 248,027</u>	<u>\$ 13,587,142</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 1,416,458	\$ -	\$ -	\$ 1,416,458
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	549,736	2,591,903	-	3,141,639
State grants and contributions	2,889,264	-	-	2,889,264
Federal grants and contributions	58,417	-	-	58,417
Charges for services	390,469	-	-	390,469
Licenses and fees	117,322	-	-	117,322
Investment income	2,813	-	-	2,813
Other	196,229	-	-	196,229
Total revenues	<u>5,620,708</u>	<u>2,591,903</u>	<u>-</u>	<u>8,212,611</u>
EXPENDITURES				
Current				
General government	380,197	-	-	380,197
Public safety	1,967,805	-	-	1,967,805
Public works	929,119	-	-	929,119
Culture and recreation	-	-	-	-
Health and welfare	271,403	-	-	271,403
Capital outlay	2,648,388	-	1,003,534	3,651,922
Debt service				
Principal	86,679	1,180,000	-	1,266,679
Interest and fees	33,057	97,489	-	130,546
Total expenditures	<u>6,316,648</u>	<u>1,277,489</u>	<u>1,003,534</u>	<u>8,597,671</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(695,940)</u>	<u>1,314,414</u>	<u>(1,003,534)</u>	<u>(385,060)</u>
Other financing sources (uses)				
Transfers in	30,000	1,277,113	1,050,000	2,357,113
Transfers out	(25,000)	(3,177,113)	-	(3,202,113)
Total other financing sources (uses)	<u>5,000</u>	<u>(1,900,000)</u>	<u>1,050,000</u>	<u>(845,000)</u>
Change in fund balances	(690,940)	(585,586)	46,466	(1,230,060)
Fund balances, beginning of year	<u>9,803,126</u>	<u>4,060,141</u>	<u>35,513</u>	<u>13,898,780</u>
Fund balances, end of year	<u>\$ 9,112,186</u>	<u>\$ 3,474,555</u>	<u>\$ 81,979</u>	<u>\$ 12,668,720</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS
JUNE 30, 2018**

The following special revenue funds are maintained by the County:

Farm and Range. To account for the Farm and Range Improvement Act which directs the county commissioners to expend funds that are derived from the state's share of the 1934 Taylor Grazing Act public lands grazing district fees paid to the Bureau of Land Management. The funds may be used for the purposes of soil and water conservation, control of rodents and predatory animals, extermination of poisonous noxious weeds, and construction and maintenance of secondary roads within the County. (6-11-6 NMSA 1978)

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

Fire District Funds. To account for the operations and maintenance of the County's fire districts of Dunken, East Grand Plains, Penasco, Midway, Berrendo, Sierra, Rio Felix and Chaves County Fire District #8. Financing is provided by allotments from the State of New Mexico and other miscellaneous sources. (Ordinance #41, 11-24-93)

Fire and Ambulance Excise Tax. To account for one-eighth of one cent gross receipts tax for the purpose of assisting the County's safety programs. (7-20E-15 NMSA 1978)

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

Public Safety Grant. To account for revenues and expenditures for the D.A.R.E. and Narcotics grant programs. (Resolution R-92-35)

DWI Grant. To account for revenues and expenditures from DWI grants in accordance with guidelines for DFA quarterly reporting. (Resolution 96-42)

Sheriff Forfeiture. To account for money that is received from the US Marshal's Office from locally confiscated monies acquired during arrests of individual for trafficking and in possession of illegal drugs. (Resolution R-06-041)

Correction. To account for the County's portion of the penalty assessment attachment to each traffic violation handled through the Magistrate Court. Expenditures are restricted to the law enforcement area. (33-3-25 NMSA 1978)

Environmental. To account for funds generated by the Environmental Gross Receipts Tax. (Ordinance #33, 3-38-91, 7-20E-17 NMSA 1978)

Flood Control. To account for flood control activities. Financing is provided by property taxes. (1948 Resolution)

Road Special Construction. To account for funds received for maintenance of special private roads through a Commission approved agreement. (Resolution 95-41)

Clerk Recording and Filing. To account for funds received from charges for County services. Funds are used to solely by the County Clerk. (Resolution 95-41)

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS
JUNE 30, 2018**

Property Valuation. To account for the administrative fee of reappraisal of property for the purpose of assessing taxes. (7-38-38.1 NMSA 1978)

Other Grants and Contracts. To account for revenues and expenditures to assist in meeting the cost of grants and projects. (Resolution 95-41)

CDBG. To account for revenues and expenditures under a pass-through program from the State. Expenditures are restricted to the purposes approved in the grant application. (Resolution 95-41)

Restricted Health Services. To account for direct health related contributions and expenditures based on a memorandum of understanding with Eastern New Mexico Medical Center. (Resolution R-10-049)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	Farm and Range	Recreation	Dunken Fire District	East Grand Plains Fire District
ASSETS				
Cash and cash equivalents	\$ 1,740	\$ 3,161	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	-	332,845	200,665
Investments - restricted	-	-	-	-
Receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	2,826	4,593
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 1,740</u>	<u>\$ 3,161</u>	<u>\$ 335,671</u>	<u>\$ 205,258</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 653	\$ 11,376
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>653</u>	<u>11,376</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	2,826	4,593
Restricted	1,740	3,161	332,192	189,289
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,740</u>	<u>3,161</u>	<u>335,018</u>	<u>193,882</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,740</u>	<u>\$ 3,161</u>	<u>\$ 335,671</u>	<u>\$ 205,258</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2018**

	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	480,340	320,930	579,008	365,240
Investments - restricted	-	-	-	-
Receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	3,395	4,636	3,948	5,408
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 483,735</u>	<u>\$ 325,566</u>	<u>\$ 582,956</u>	<u>\$ 370,648</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,706	\$ 8,381	\$ 17,381	\$ 18,254
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	5,691
Total liabilities	<u>3,706</u>	<u>8,381</u>	<u>17,381</u>	<u>23,945</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	3,395	4,636	3,948	5,408
Restricted	476,634	312,549	561,627	341,295
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>480,029</u>	<u>317,185</u>	<u>565,575</u>	<u>346,703</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 483,735</u>	<u>\$ 325,566</u>	<u>\$ 582,956</u>	<u>\$ 370,648</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2018**

	Rio Felix Fire District	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 13,592
Cash and cash equivalents - restricted	-	-	-	-
Investments	137,753	116,444	2,127,250	-
Investments - restricted	-	-	-	-
Receivables	-	-	73,126	-
Inventory	-	-	-	-
Prepaid items	2,706	3,171	-	-
Interfund advances receivable	-	-	5,691	-
Total assets	<u>\$ 140,459</u>	<u>\$ 119,615</u>	<u>\$ 2,206,067</u>	<u>\$ 13,592</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,955	\$ 16,018	\$ -	\$ 13,592
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>2,955</u>	<u>16,018</u>	<u>-</u>	<u>13,592</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	2,706	3,171	-	-
Restricted	134,798	100,426	2,206,067	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>137,504</u>	<u>103,597</u>	<u>2,206,067</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 140,459</u>	<u>\$ 119,615</u>	<u>\$ 2,206,067</u>	<u>\$ 13,592</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2018**

	Public Safety Grant	DWI Grant	Sheriff Forfeiture	Correction
ASSETS				
Cash and cash equivalents	\$ 22,364	\$ 81,136	\$ 21,783	\$ 237,311
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	-	-	-
Investments - restricted	-	-	-	-
Receivables	959	12,176	-	-
Inventory	-	-	-	-
Prepaid items	-	630	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 23,323</u>	<u>\$ 93,942</u>	<u>\$ 21,783</u>	<u>\$ 237,311</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 56	\$ 8,339	\$ -	\$ 278
Accrued payroll	1,792	8,380	-	5,576
Unearned revenues	-	-	-	-
Interfund advances payable	10,000	-	-	-
Total liabilities	<u>11,848</u>	<u>16,719</u>	<u>-</u>	<u>5,854</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	-	630	-	-
Restricted	11,475	76,593	-	231,457
Committed	-	-	21,783	-
Unassigned	-	-	-	-
Total fund balances	<u>11,475</u>	<u>77,223</u>	<u>21,783</u>	<u>231,457</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,323</u>	<u>\$ 93,942</u>	<u>\$ 21,783</u>	<u>\$ 237,311</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2018**

	Environmental	Flood Control	Road Special Construction	Clerk Recording and Filing
ASSETS				
Cash and cash equivalents	\$ 23,312	\$ -	\$ -	\$ 197,942
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	2,174,347	623,780	-
Investments - restricted	-	-	-	-
Receivables	36,564	107,850	-	-
Inventory	-	-	-	-
Prepaid items	221	5,949	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 60,097</u>	<u>\$ 2,288,146</u>	<u>\$ 623,780</u>	<u>\$ 197,942</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 12,002	\$ 28,999	\$ -	\$ 1,473
Accrued payroll	1,578	28,672	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>13,580</u>	<u>57,671</u>	<u>-</u>	<u>1,473</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	92,134	-	-
FUND BALANCES				
Nonspendable	221	5,949	-	-
Restricted	46,296	2,132,392	-	-
Committed	-	-	623,780	196,469
Unassigned	-	-	-	-
Total fund balances	<u>46,517</u>	<u>2,138,341</u>	<u>623,780</u>	<u>196,469</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,097</u>	<u>\$ 2,288,146</u>	<u>\$ 623,780</u>	<u>\$ 197,942</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2018**

	Property Valuation	Other Grants and Contracts	CDBG	Restricted Health Services
ASSETS				
Cash and cash equivalents	\$ -	\$ 280,474	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	873,869	-	-	-
Investments - restricted	-	-	-	-
Receivables	-	225,221	-	-
Inventory	-	-	-	-
Prepaid items	204	-	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 874,073</u>	<u>\$ 505,695</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 476	\$ 14,814	\$ -	\$ -
Accrued payroll	14,487	311	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	275,000	-	-
Total liabilities	<u>14,963</u>	<u>290,125</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	204	-	-	-
Restricted	-	215,570	-	-
Committed	858,906	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>859,110</u>	<u>215,570</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 874,073</u>	<u>\$ 505,695</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2018**

	Totals
ASSETS	
Cash and cash equivalents	\$ 882,815
Cash and cash equivalents - restricted	-
Investments	8,332,471
Investments - restricted	-
Receivables	455,896
Inventory	-
Prepaid items	37,687
Interfund advances receivable	5,691
Total assets	\$ 9,714,560
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 158,753
Accrued payroll	60,796
Unearned revenues	-
Interfund advances payable	290,691
Total liabilities	510,240
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	92,134
 FUND BALANCES	
Nonspendable	37,687
Restricted	7,373,561
Committed	1,700,938
Unassigned	-
Total fund balances	9,112,186
Total liabilities, deferred inflows of resources and fund balances	\$ 9,714,560

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Farm and Range	Recreation	Dunken Fire District	East Grand Plains Fire District
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
State grants and contributions	-	-	75,091	162,599
Federal grants and contributions	58,417	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	5,408
Total revenues	<u>58,417</u>	<u>-</u>	<u>75,091</u>	<u>168,007</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	14,091	175,966
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	108,000	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	19,372
Interest and fees	-	-	-	8,719
Total expenditures	<u>108,000</u>	<u>-</u>	<u>14,091</u>	<u>204,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,583)</u>	<u>-</u>	<u>61,000</u>	<u>(36,050)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(2,000)	(4,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(4,000)</u>
Change in fund balances	(49,583)	-	59,000	(40,050)
Fund balances, beginning of year	<u>51,323</u>	<u>3,161</u>	<u>276,018</u>	<u>233,932</u>
Fund balances, end of year	<u>\$ 1,740</u>	<u>\$ 3,161</u>	<u>\$ 335,018</u>	<u>\$ 193,882</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
State grants and contributions	141,861	165,125	197,459	318,830
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	1,000	388	7,543	14,835
Total revenues	<u>142,861</u>	<u>165,513</u>	<u>205,002</u>	<u>333,665</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	33,364	123,767	179,589	167,367
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	7,433	-	52,815
Interest and fees	-	3,483	-	19,485
Total expenditures	<u>33,364</u>	<u>134,683</u>	<u>179,589</u>	<u>239,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>109,497</u>	<u>30,830</u>	<u>25,413</u>	<u>93,998</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(3,000)	(4,000)	(5,000)	(4,000)
Total other financing sources (uses)	<u>(3,000)</u>	<u>(4,000)</u>	<u>(5,000)</u>	<u>(4,000)</u>
Change in fund balances	106,497	26,830	20,413	89,998
Fund balances, beginning of year	<u>373,532</u>	<u>290,355</u>	<u>545,162</u>	<u>256,705</u>
Fund balances, end of year	<u>\$ 480,029</u>	<u>\$ 317,185</u>	<u>\$ 565,575</u>	<u>\$ 346,703</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Rio Felix Fire District	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	362,658	-
State grants and contributions	52,844	86,920	-	41,600
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	984	-
Other	-	754	-	-
Total revenues	<u>52,844</u>	<u>87,674</u>	<u>363,642</u>	<u>41,600</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	18,747	68,766	-	64,265
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	1,183,476	-
Debt service				
Principal	-	7,059	-	-
Interest and fees	-	1,370	-	-
Total expenditures	<u>18,747</u>	<u>77,195</u>	<u>1,183,476</u>	<u>64,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,097</u>	<u>10,479</u>	<u>(819,834)</u>	<u>(22,665)</u>
Other financing sources (uses)				
Transfers in	-	-	30,000	-
Transfers out	(1,000)	(2,000)	-	-
Total other financing sources (uses)	<u>(1,000)</u>	<u>(2,000)</u>	<u>30,000</u>	<u>-</u>
Change in fund balances	33,097	8,479	(789,834)	(22,665)
Fund balances, beginning of year	<u>104,407</u>	<u>95,118</u>	<u>2,995,901</u>	<u>22,665</u>
Fund balances, end of year	<u>\$ 137,504</u>	<u>\$ 103,597</u>	<u>\$ 2,206,067</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Public Safety Grant	DWI Grant	Sheriff Forfeiture	Correction
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
State grants and contributions	8,049	394,699	-	128,835
Federal grants and contributions	-	-	-	-
Charges for services	2,641	-	-	-
Licenses and fees	-	117,322	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>10,690</u>	<u>512,021</u>	<u>-</u>	<u>128,835</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	30,807	556,973	-	126,244
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>30,807</u>	<u>556,973</u>	<u>-</u>	<u>126,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,117)</u>	<u>(44,952)</u>	<u>-</u>	<u>2,591</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	(20,117)	(44,952)	-	2,591
Fund balances, beginning of year	<u>31,592</u>	<u>122,175</u>	<u>21,783</u>	<u>228,866</u>
Fund balances, end of year	<u>\$ 11,475</u>	<u>\$ 77,223</u>	<u>\$ 21,783</u>	<u>\$ 231,457</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Environmental	Flood Control	Road Special Construction	Clerk Recording and Filing
REVENUES				
Property taxes	\$ -	\$ 1,416,458	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	187,078	-	-	-
State grants and contributions	-	-	-	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	74,011
Licenses and fees	-	-	-	-
Investment income	-	-	1,743	-
Other	-	36,028	130,273	-
Total revenues	<u>187,078</u>	<u>1,452,486</u>	<u>132,016</u>	<u>74,011</u>
EXPENDITURES				
Current				
General government	-	-	-	42,605
Public safety	-	-	-	-
Public works	-	929,119	-	-
Culture and recreation	-	-	-	-
Health and welfare	163,403	-	-	-
Capital outlay	-	698,112	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>163,403</u>	<u>1,627,231</u>	<u>-</u>	<u>42,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,675</u>	<u>(174,745)</u>	<u>132,016</u>	<u>31,406</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	23,675	(174,745)	132,016	31,406
Fund balances, beginning of year	<u>22,842</u>	<u>2,313,086</u>	<u>491,764</u>	<u>165,063</u>
Fund balances, end of year	<u>\$ 46,517</u>	<u>\$ 2,138,341</u>	<u>\$ 623,780</u>	<u>\$ 196,469</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Property Valuation	Other Grants and Contracts	CDBG	Restricted Health Services
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
State grants and contributions	-	1,115,352	-	-
Federal grants and contributions	-	-	-	-
Charges for services	313,817	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	86	-	-
Other	-	-	-	-
Total revenues	<u>313,817</u>	<u>1,115,438</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General government	235,592	-	102,000	-
Public safety	-	407,859	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	766,800	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>235,592</u>	<u>1,174,659</u>	<u>102,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>78,225</u>	<u>(59,221)</u>	<u>(102,000)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	78,225	(59,221)	(102,000)	-
Fund balances, beginning of year	<u>780,885</u>	<u>274,791</u>	<u>102,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 859,110</u>	<u>\$ 215,570</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Totals
REVENUES	
Property taxes	\$ 1,416,458
Gasoline and motor vehicles taxes	-
Gross receipts tax	549,736
State grants and contributions	2,889,264
Federal grants and contributions	58,417
Charges for services	390,469
Licenses and fees	117,322
Investment income	2,813
Other	196,229
Total revenues	5,620,708
EXPENDITURES	
Current	
General government	380,197
Public safety	1,967,805
Public works	929,119
Culture and recreation	-
Health and welfare	271,403
Capital outlay	2,648,388
Debt service	
Principal	86,679
Interest and fees	33,057
Total expenditures	6,316,648
Excess (deficiency) of revenues over (under) expenditures	(695,940)
Other financing sources (uses)	
Transfers in	30,000
Transfers out	(25,000)
Total other financing sources (uses)	5,000
Change in fund balances	(690,940)
Fund balances, beginning of year	9,803,126
Fund balances, end of year	\$ 9,112,186

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR DEBT SERVICE FUNDS DESCRIPTIONS
JUNE 30, 2018**

The following debt service funds are maintained by the County:

2007 Refunding Bonds. To account for funds for the refunding of New Mexico Gross Receipts Tax Revenue Bonds Series 2002. Authorization is by Chaves County Commission.

Revenue Bond #2. To account for set aside pledged revenues deposited monthly into the Gross Receipts Tax Income Fund by the County Treasurer, and transferred, by the County Treasurer to the Debt Service Fund, Capital Projects Fund, Reserve Fund, and Extraordinary Redemption Fund. Authorization is by Chaves County Commission.

Revenue Bond Reserve. To account for a required bond covenant and is part of a bond ordinance. (Resolution R-02-14)

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2018**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ 16,179	\$ -	\$ -	\$ 16,179
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	3,077,772	-	3,077,772
Investments - restricted	-	-	-	-
Receivables	-	530,604	-	530,604
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 16,179</u>	<u>\$ 3,608,376</u>	<u>\$ -</u>	<u>\$ 3,624,555</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	150,000	-	150,000
Total liabilities	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	16,179	3,458,376	-	3,474,555
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>16,179</u>	<u>3,458,376</u>	<u>-</u>	<u>3,474,555</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,179</u>	<u>\$ 3,608,376</u>	<u>\$ -</u>	<u>\$ 3,624,555</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDING JUNE 30, 2018**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve	Totals
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	2,591,903	-	2,591,903
State grants and contributions	-	-	-	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>2,591,903</u>	<u>-</u>	<u>2,591,903</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	1,180,000	-	-	1,180,000
Interest and fees	97,489	-	-	97,489
Total expenditures	<u>1,277,489</u>	<u>-</u>	<u>-</u>	<u>1,277,489</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,277,489)</u>	<u>2,591,903</u>	<u>-</u>	<u>1,314,414</u>
Other financing sources (uses)				
Transfers in	1,277,113	-	-	1,277,113
Transfers out	-	(2,177,113)	(1,000,000)	(3,177,113)
Total other financing sources (uses)	<u>1,277,113</u>	<u>(2,177,113)</u>	<u>(1,000,000)</u>	<u>(1,900,000)</u>
Change in fund balances	(376)	414,790	(1,000,000)	(585,586)
Fund balances, beginning of year	<u>16,555</u>	<u>3,043,586</u>	<u>1,000,000</u>	<u>4,060,141</u>
Fund balances, end of year	<u>\$ 16,179</u>	<u>\$ 3,458,376</u>	<u>\$ -</u>	<u>\$ 3,474,555</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR CAPITAL PROJECTS FUND DESCRIPTION
JUNE 30, 2018**

The following capital projects fund is maintained by the County:

Emergency Capital Outlay. To account for emergencies, surrounding local government emergency services, and capital projects and purchases. (Ordinance #34, 7-1-91)

STATE OF NEW MEXICO
 CHAVES COUNTY
 BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUND
 JUNE 30, 2018

	Emergency Capital Outlay
ASSETS	
Cash and cash equivalents	\$ 98,027
Cash and cash equivalents - restricted	-
Investments	-
Investments - restricted	-
Receivables	-
Inventory	-
Prepaid items	-
Interfund advances receivable	150,000
Total assets	\$ 248,027
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 166,048
Accrued payroll	-
Unearned revenues	-
Interfund advances payable	-
Total liabilities	166,048
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	-
 FUND BALANCES	
Nonspendable	-
Restricted	-
Committed	81,979
Unassigned	-
Total fund balances	81,979
Total liabilities, deferred inflows of resources and fund balances	\$ 248,027

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Emergency Capital Outlay</u>
REVENUES	
Property taxes	\$ -
Gasoline and motor vehicles taxes	-
Gross receipts tax	-
State grants and contributions	-
Federal grants and contributions	-
Charges for services	-
Licenses and fees	-
Investment income	-
Other	-
Total revenues	<u>-</u>
EXPENDITURES	
Current	
General government	-
Public safety	-
Public works	-
Culture and recreation	-
Health and welfare	-
Capital outlay	1,003,534
Debt service	
Principal	-
Interest and fees	-
Total expenditures	<u>1,003,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,003,534)</u>
Other financing sources	
Transfers in	1,050,000
Transfers out	-
Total other financing sources	<u>1,050,000</u>
Change in fund balances	46,466
Fund balances, beginning of year	<u>35,513</u>
Fund balances, end of year	<u><u>\$ 81,979</u></u>

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
CHAVES COUNTY
AGENCY FUNDS DESCRIPTION
JUNE 30, 2018

Treasurer's Fund. To account for collections and payment to the County and other recipient entities of property taxes, interest and penalties and other taxes billed and collected by the County on their behalf.

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS
AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
ASSETS				
Cash and cash equivalents	\$ 517,230	\$ 11,288,460	\$ (11,331,928)	\$ 473,762
Property taxes receivable	<u>2,368,175</u>	<u>34,896,638</u>	<u>(35,452,529)</u>	<u>1,812,284</u>
Total assets	<u>\$ 2,885,405</u>	<u>\$ 46,185,098</u>	<u>\$ (46,784,457)</u>	<u>\$ 2,286,046</u>
LIABILITIES				
Deposits held for others	\$ 58,932	\$ 92,946	\$ (75,829)	\$ 76,049
Due to taxing entities	<u>2,826,473</u>	<u>46,092,152</u>	<u>(46,708,628)</u>	<u>2,209,997</u>
Total liabilities	<u>\$ 2,885,405</u>	<u>\$ 46,185,098</u>	<u>\$ (46,784,457)</u>	<u>\$ 2,286,046</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2018**

Banking Institution	Account Type	Total Deposits and Investments	Reconciling Items	Reconciled Balance
James Polk Stone Community Bank	Checking	\$ 615,747	\$ (422,684)	\$ 193,063
James Polk Stone Community Bank	Checking	210,056	(3,704)	206,352
James Polk Stone Community Bank	Checking	623,780	-	623,780
James Polk Stone Community Bank	Checking	200,000	-	200,000
Insight Investments (BNY Mellon)	FHLB	3,989,975	-	3,989,975
Insight Investments (BNY Mellon)	FHLMC	8,903,925	-	8,903,925
Insight Investments (BNY Mellon)	FNMA	10,778,736	-	10,778,736
Insight Investments (BNY Mellon)	FFCB	4,148,382	-	4,148,382
Insight Investments (BNY Mellon)	Corporate	17,827,535	-	17,827,535
Insight Investments (BNY Mellon)	Money Market	55,913	-	55,913
Insight Investments (BNY Mellon)	Treasury Notes	15,596,475	-	15,596,475
Insight Investments (BNY Mellon)	Municipal Securities	1,500,000	-	1,500,000
NM State Investment Pool	State Treasurer LGIP	284,885	-	284,885
Pioneer Bank	Operating Acct.	6,906,228	(98,820)	6,807,408
Pioneer Bank	Checking	2,187	-	2,187
Pioneer Bank	Checking	36,109	(529)	35,580
Pioneer Bank	Sweep Acct.	1,000,033	-	1,000,033
Pioneer Bank	Federal PR Tax	(54)	54	-
Washington Federal	Money Market	1,615	-	1,615
Wells Fargo/Advisors	Money Market	7,377	-	7,377
NMFA	NMFA Pooled Debt Service Account	475,164	-	475,164
		<u>\$ 73,164,068</u>	<u>\$ (525,683)</u>	<u>\$ 72,638,385</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF COLLATERAL PLEDGED
JUNE 30, 2018**

	James Polk Stone Community Bank	Pioneer Bank	Wells Fargo	Insight Investment	Washington Federal	Total
Bank Accounts:						
Checking accounts	\$ 1,649,583	\$ 7,944,503	\$ -	\$ -	\$ -	\$ 9,594,086
Savings accounts	-	-	7,377	55,913	1,615	64,905
Total amount of deposits	<u>1,649,583</u>	<u>7,944,503</u>	<u>7,377</u>	<u>55,913</u>	<u>1,615</u>	<u>9,658,991</u>
FDIC coverage	(250,000)	(250,000)	(7,377)	(55,913)	(1,615)	(564,905)
Total uninsured public funds	<u>1,399,583</u>	<u>7,694,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,094,086</u>
Collateral requirements (per 6-10-10 & 6-10-17, NMSA 1978):	699,791	3,847,252	-	-	-	4,547,043
50% of uninsured time and demand accounts						

Pledged collateral at fair market value:

Type	Description	Maturity	CUSIP Number
Note	FHLB Call After 4/13/17 (1)	4/13/2026	3130A7Q99
Note	FHLB Qtrly Call Step (1)	8/22/2031	3130A8ZE6
Note	FHLB Qtrly Call Step (1)	11/25/2031	3130A9X63
Note	FHLB Qtrly Call Step (1)	12/15/2031	3130AA7M4
Bond	Federal Farm Cr BKS Call Cons Bd (1)	5/3/2021	3133EHHM8
Note	FFCB Call After 6/8/18 (1)	6/8/2022	3133EHMB6
Bond	Federal Farm Cr BKS Cons BD Call anytime (1)	3/12/2027	3133EHML4
Note	FHLB Call After 10/20/16 (2)	1/20/2023	3130A8PU1
Note	FHLB Call Quarterly (2)	5/8/2020	3133812C8
Note	FHLB Call After 1/12/16 (2)	11/28/2022	313381BJ3
Note	FFCB Nonc (2)	12/13/2022	3133EC7C2
Note	FHLMC #G18627	1/1/2032	3128MMVV2
Note	FNMA PL#BC2636 (3)	11/1/2046	3140EW4W2
	Total collateral		

	Total collateral	6,633,585	7,598,331	-	-	14,255,615
Over / (under) secured	\$ 5,933,794	\$ 3,751,079	\$ -	\$ -	\$ 23,699	\$ 9,708,572
Custodial Credit Risk						
Insured	\$ (250,000)	\$ (250,000)	\$ (7,377)	\$ (55,913)	\$ (1,615)	\$ (564,905)
Collateralized with securities held by pledging financial institution's trust department	6,633,585	-	-	-	-	6,633,585
Uninsured and uncollateralized	(4,734,002)	8,194,503	14,754	111,826	3,230	3,590,311
Total deposits	<u>\$ 1,649,583</u>	<u>\$ 7,944,503</u>	<u>\$ 7,377</u>	<u>\$ 55,913</u>	<u>\$ 1,615</u>	<u>\$ 9,658,991</u>

Location of collateral:

- (1) The Independent Bankers Bank, Irving, TX
- (2) Federal Home Loan Bank, Dallas, TX

STATE OF NEW MEXICO
 CHAVES COUNTY
 TAX ROLL RECONCILIATION OF CHANGES IN THE COUNTY
 TREASURER'S PROPERTY TAX RECEIVABLE
 YEAR ENDED JUNE 30, 2018

Property taxes receivable, beginning of year	\$ 2,187,355
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year	32,712,641
Adjustments:	
Increases in taxes receivable	(1,170)
Subtraction of 2007 Taxes Outstanding (7-38-81.1.C NMSA 1978)	<u>(2,188)</u>
Total receivables prior to collections	34,896,638
 Collections for fiscal year ended June 30, 2018	 <u>(32,482,479)</u>
 Property taxes receivable, end of year	 <u><u>\$ 2,414,159</u></u>

Property taxes receivable as of year-end, by year:

		\$
2008		3,715
2009		5,607
2010		4,999
2011		7,785
2012		32,964
2013		17,859
2014		54,541
2015		186,682
2016		641,029
2017		<u>1,458,978</u>
Total taxes receivable, net		<u><u>\$ 2,414,159</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE
YEAR ENDED JUNE 30, 2018**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Chaves County:						
County Operational Non-Res.						
2008-2016	\$ 42,822,386	\$ 114,026	\$ 42,356,157	\$ 168,044	\$ 42,340,152	\$ 138,352
2017	5,317,317	5,149,598	5,149,598	5,124,085	5,112,253	167,719
Total	48,139,703	5,263,624	47,505,755	5,292,129	47,452,405	306,071
County Operational Res.						
2008-2016	31,501,989	179,662	31,392,483	223,370	31,374,300	106,894
2017	3,481,340	3,292,431	3,292,431	3,249,132	3,234,130	188,909
Total	34,983,329	3,472,093	34,684,914	3,472,502	34,608,430	295,803
County Debt Service						
2008-2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
Total	-	-	-	-	-	-
Total Chaves County	83,123,032	8,735,717	82,190,669	8,764,631	82,060,835	601,874
State of New Mexico:						
State Debt						
2008-2016	12,441,252	61,385	12,354,454	79,964	12,347,536	46,733
2017	1,640,997	1,569,039	1,569,039	1,554,374	1,548,869	71,959
Total	14,082,249	1,630,424	13,923,493	1,634,338	13,896,405	118,692
Cattle						
2008-2016	581,844	5,813	576,466	6,031	576,453	5,338
2017	107,033	102,812	102,812	102,711	102,537	4,221
Total	688,877	108,625	679,278	108,742	678,990	9,559
Horse						
2008-2016	15,579	174	15,214	172	15,198	324
2017	2,118	1,869	1,869	1,829	1,792	249
Total	17,697	2,043	17,083	2,001	16,990	573
Dairy						
2008-2016	1,380,875	5	1,367,492	9,525	1,367,491	13,382
2017	192,874	186,353	186,353	186,348	186,348	6,521
Total	1,573,749	186,358	1,553,845	195,873	1,553,839	19,903
Sheep and Goats						
2008-2016	18,459	29	18,455	21	18,430	3
2017	2,234	1,245	1,245	1,216	1,216	989
Total	20,693	1,274	19,700	1,237	19,646	992
Bison						
2008-2016	161	-	161	-	161	-
2017	32	18	18	18	18	14
Total	193	18	179	18	179	14
Ratites						
2008-2016	18	-	18	-	18	-
2017	1	1	1	1	1	-
Total	19	1	19	1	19	-
Llamas						
2008-2016	67	1	65	1	65	1
2017	12	11	11	11	11	1
Total	79	12	76	12	76	2
Total State of New Mexico	16,383,556	1,928,755	16,193,673	1,942,222	16,166,144	149,735
Municipalities:						
City of Roswell Non-Res.						
2008-2016	15,389,322	45,104	15,266,295	60,899	15,258,152	48,115
2017	1,872,876	1,808,744	1,808,744	1,795,294	1,791,589	64,132
Total	17,262,198	1,853,848	17,075,039	1,856,193	17,049,741	112,247
City of Roswell Res.						
2008-2016	25,498,516	157,612	25,406,161	188,669	25,389,791	90,674
2017	3,171,939	2,997,449	2,997,449	2,959,885	248,090	174,490
Total	28,670,455	3,155,061	28,403,610	3,148,554	25,637,881	265,164

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2018**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
City of Roswell Debt Service						
2008-2016	5,928,948	16,415	5,902,075	20,115	5,900,190	11,494
2017	399,364	380,211	380,211	376,114	374,865	19,152
Total	6,328,312	396,626	6,282,286	396,229	6,275,055	30,646
Town of Lake Arthur Non-Res.						
2008-2016	9,308	25	9,139	41	9,139	14
2017	1,427	1,397	1,397	1,395	1,395	30
Total	10,735	1,422	10,536	1,436	10,534	44
Town of Lake Arthur Res.						
2008-2016	21,510	176	21,182	348	21,162	317
2017	3,045	2,640	2,640	2,576	2,553	405
Total	24,555	2,816	23,822	2,924	23,715	722
Town of Hagerman Non-Res.						
2008-2016	42,546	210	42,330	279	42,329	220
2017	5,057	4,861	4,861	4,844	4,843	196
Total	47,603	5,071	47,191	5,123	47,172	416
Town of Hagerman Res.						
2008-2016	55,328	1,699	54,272	1,817	54,091	700
2017	7,863	6,857	6,857	6,769	6,659	1,006
Total	63,191	8,556	61,129	8,586	60,750	1,706
Town of Dexter Non-Res.						
2008-2016	45,427	460	44,841	542	44,841	159
2017	6,289	6,014	6,014	6,014	5,882	275
Total	51,716	6,474	50,855	6,556	50,723	434
Town of Dexter Res.						
2008-2016	70,025	503	69,727	668	69,698	298
2017	9,194	8,779	8,779	8,604	8,582	415
Total	79,219	9,282	78,506	9,272	78,280	713
Total Municipalities	52,537,984	5,439,156	52,032,974	5,434,873	49,233,851	412,092
School Districts:						
ENMU Non-Res.						
2008-2016	4,142,198	11,285	4,096,781	16,928	4,095,069	14,543
2017	537,636	520,860	520,860	518,209	516,979	16,776
Total	4,679,834	532,145	4,617,641	535,138	4,612,048	31,319
ENMU Res.						
2008-2016	4,414,723	27,824	4,397,611	34,443	4,394,713	16,765
2017	564,302	533,714	533,714	526,683	524,240	30,588
Total	4,979,025	561,538	4,931,325	561,126	4,918,953	47,353
ENMU Debt Service						
2008-2016	8,319,869	4,395	8,271,932	7,434	8,271,794	5,091
2017	-	-	-	-	-	-
Total	8,319,869	4,395	8,271,932	7,434	8,271,794	5,091
NM Jr. College Non-Res.						
2008-2016	12,357	-	12,357	-	12,357	-
2017	2,663	2,663	2,663	2,663	2,663	-
Total	15,020	2,663	15,020	2,663	15,020	-
NM Jr. College Res.						
2008-2016	1,140	-	1,140	-	1,140	-
2017	138	138	138	138	138	-
Total	1,278	138	1,278	138	1,278	-
Roswell Ind. Schools Non-Res.						
2008-2016	3,158,711	4,879	3,085,802	7,416	3,084,958	4,532
2017	219,003	212,815	212,815	211,620	211,146	6,189
Total	3,377,714	217,694	3,298,617	219,036	3,296,103	10,721

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2018**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Roswell Ind. Schools Res.						
2008-2016	3,048,804	7,655	3,043,586	9,436	3,042,754	4,513
2017	159,329	150,982	150,982	149,105	148,433	8,347
Total	3,208,133	158,637	3,194,568	158,541	3,191,187	12,860
Roswell Ind. Schools Debt Service						
2008-2016	58,030,135	293,400	57,699,163	383,570	57,662,473	192,069
2017	7,929,960	7,595,190	7,595,190	7,522,904	7,496,321	334,770
Total	65,960,095	7,888,590	65,294,354	7,906,475	65,158,794	526,839
Artesia Public Schools Non-Res.						
2008-2016	29,541	349	29,537	352	29,537	2
2017	4,747	4,422	4,422	4,421	4,421	325
Total	34,288	4,771	33,959	4,773	33,958	327
Artesia Public Schools Res.						
2008-2016	6,774	177	6,772	224	6,772	-
2017	785	716	716	709	709	68
Total	7,559	893	7,488	933	7,481	68
Artesia Public Schools Debt Service						
2008-2016	529,056	8,009	528,963	8,876	528,963	28
2017	80,683	74,898	74,898	74,750	74,748	5,786
Total	609,739	82,906	603,860	83,626	603,711	5,814
Lake Arthur Muni. Schools Non-Res.						
2008-2016	113,619	24	110,814	36	110,814	24
2017	10,669	10,560	10,560	10,549	10,538	110
Total	124,288	10,584	121,374	10,585	121,352	134
Lake Arthur Muni. Schools Res.						
2008-2016	16,881	121	16,741	155	16,738	131
2017	1,150	1,016	1,016	1,003	998	134
Total	18,032	1,137	17,757	1,159	17,735	265
Lake Arthur Muni. Schools Debt Service						
2008-2016	1,212,195	5,298	1,201,762	7,166	1,201,594	5,500
2017	344,336	335,664	335,664	334,846	334,291	8,672
Total	1,556,531	340,962	1,537,427	342,012	1,535,885	14,172
Elida Muni. Schools #27 Non-Res.						
2008-2016	20,249	10	18,242	10	18,242	3
2017	1,184	1,182	1,182	1,185	1,182	1
Total	21,433	1,192	19,424	1,195	19,424	4
Elida Muni. Schools #27 Res.						
2008-2016	1,596	3	1,596	3	1,596	-
2017	108	108	108	108	108	-
Total	1,704	111	1,704	111	1,704	-
Elida Muni. Schools #27 Debt Service.						
2008-2016	87,376	62	84,496	62	84,496	13
2017	5,925	5,920	5,920	5,919	5,919	5
Total	93,301	5,982	90,416	5,981	90,415	18
Elida Muni. Schools #28 Non-Res.						
2008-2016	13,211	37	13,205	39	13,205	6
2017	1,102	1,096	1,096	1,096	1,096	6
Total	14,313	1,133	14,301	1,135	14,301	12
Elida Muni. Schools #28 Res.						
2008-2016	1,800	4	1,799	4	1,799	1
2017	118	117	117	117	117	-
Total	1,918	121	1,916	121	1,916	1
Elida Muni. Schools #28 Debt Service.						
2008-2016	63,970	188	63,937	201	63,937	33
2017	5,598	5,569	5,569	5,569	5,569	29
Total	69,568	5,757	69,506	5,770	69,506	62

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2018**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Hagerman Muni. Schools Non-Res.						
2008-2016	172,153	251	169,406	310	169,400	292
2017	12,924	12,449	12,449	12,386	12,304	475
Total	185,077	12,700	181,855	12,696	181,704	767
Hagerman Muni. Schools Res.						
2008-2016	57,645	499	57,335	565	57,299	283
2017	3,700	3,324	3,324	3,218	3,175	375
Total	61,345	3,823	60,659	3,783	60,474	658
Hagerman Muni. Schools Debt Service						
2008-2016	2,026,194	15,098	2,008,315	17,472	2,007,404	10,643
2017	273,074	257,392	257,392	253,979	251,802	15,683
Total	2,299,268	272,490	2,265,707	271,451	2,259,206	26,326
Dexter Cons. Schools Non-Res.						
2008-2016	362,136	474	356,621	686	356,611	2,604
2017	23,393	21,929	21,929	21,877	21,834	1,464
Total	385,529	22,403	378,550	22,563	378,445	4,068
Dexter Cons. Schools Res.						
2003-2011	108,546	307	108,040	442	108,019	403
2017	5,302	4,957	4,957	4,849	4,830	345
Total	113,848	5,264	112,997	5,291	112,849	748
Dexter Cons. Schools Debt Service						
2008-2016	6,862,435	32,274	6,763,596	47,352	6,762,223	87,242
2017	940,336	880,673	880,673	872,736	870,501	59,663
Total	7,802,771	912,947	7,644,269	920,088	7,632,724	146,905
Tatum Muni. Schools Non-Res.						
2008-2016	1,323	-	1,323	-	1,323	-
2017	266	266	266	266	266	-
Total	1,589	266	1,589	266	1,589	-
Tatum Muni. Schools Res.						
2008-2016	187	-	187	-	187	-
2017	9	9	9	9	9	-
Total	196	9	196	9	196	-
Tatum Muni. Schools Debt Service						
2008-2016	15,735	-	15,735	-	15,735	-
2017	4,091	4,091	4,091	4,091	4,091	-
Total	19,826	4,091	19,826	4,091	19,826	-
Total School Districts	103,963,090	11,055,342	102,809,514	11,088,188	102,629,578	834,532
Special Districts:						
Flood Control						
2008-2016	11,145,491	60,400	11,062,989	75,323	11,055,568	36,854
2017	1,427,857	1,358,140	1,358,140	1,343,090	1,337,751	69,717
Total	12,573,348	1,418,540	12,421,129	1,418,413	12,393,319	106,571
Pecos Valley Conservancy District						
2008-2016	19,323,753	160,353	19,193,763	199,409	19,173,427	103,067
2017	3,646,706	3,462,783	3,462,783	3,424,008	3,410,706	183,922
Total	22,970,459	3,623,136	22,656,546	3,623,417	22,584,133	286,989
Chaves County S&W Conservancy Non-Res.						
2008-2016	646,751	3,016	628,810	3,920	62,817	1,379
2017	73,082	70,106	70,106	69,476	69,072	2,976
Total	719,833	73,122	698,916	73,396	131,889	4,355
Chaves County S&W Conservancy Res.						
2008-2016	955,642	4,974	953,627	7,069	952,929	1,939
2017	129,289	124,473	124,473	122,962	122,272	4,816
Total	1,084,931	129,447	1,078,100	130,031	1,075,201	6,755

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2018**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Upper Hondo S&W Conservancy Non-Res.						
2008-2016	94	-	94	-	94	-
2017	10	-	-	-	-	10
Total	104	-	94	-	94	10
Upper Hondo S&W Conservancy Res.						
2008-2016	4	-	4	-	4	-
2017	-	-	-	-	-	-
Total	4	-	4	-	4	-
Hagerman-Dexter S&W Conservancy Non-Res.						
2008-2016	167,807	999	165,050	1,170	165,029	1,472
2017	22,850	21,139	21,139	20,947	20,846	1,711
Total	190,657	22,138	186,189	22,117	185,875	3,183
Hagerman-Dexter S&W Conservancy Res.						
2008-2016	102,417	747	101,405	949	101,377	998
2017	14,799	13,611	13,611	13,344	13,280	1,188
Total	117,216	14,358	115,016	14,293	114,657	2,186
Penasco S&W Conservancy						
2008-2016	29,796	442	29,792	557	29,792	4
2017	4,140	3,476	3,476	3,453	3,453	664
Total	33,936	3,918	33,268	4,010	33,245	668
Central Valley S&W Conservancy Non-Res.						
2008-2016	16,405	11	16,383	13	16,383	19
2017	2,137	2,086	2,086	2,080	2,073	51
Total	18,542	2,097	18,469	2,093	18,456	70
Central Valley S&W Conservancy Res.						
2008-2016	4,426	134	4,404	139	4,404	21
2017	560	507	507	505	501	54
Total	4,986	641	4,911	644	4,905	75
Border S&W Conservancy						
2008-2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
Total	-	-	-	-	-	-
Cottonwood-Walnut Creek S&W Conservancy						
2008-2016	101,846	499	99,644	499	99,644	-
2017	10,508	10,221	10,221	10,221	10,186	287
Total	112,354	10,720	109,865	10,720	109,830	287
Predator Control						
2008-2016	271,623	1,317	269,905	1,347	269,836	1,687
2017	27,157	24,071	24,071	23,978	23,942	3,086
Total	298,780	25,388	293,976	25,325	293,778	4,773
Total Special Districts	38,125,150	5,323,505	37,616,483	5,324,459	36,945,386	415,922
Grand Total	\$ 294,132,812	\$ 32,482,475	\$ 290,843,313	\$ 32,554,374	\$ 287,035,794	\$ 2,414,159

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF EXPENDITURES OF STATE APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2018**

Appropriation Purpose	Original			Reversion Date	Legislative Authority	Expenditures to Date	Remaining Balance
	Appropriation Amount	Appropriation Period	Reversion				
District 8 Volunteer Fire Dept Parking Lot	\$ 25,000	3/10/2016	6/30/2020	6/30/2020	House Bill 219 Ch 81, Sec 22, Par 61	\$ 25,000	\$ -
Sierra Volunteer Fire Station Barrier Fence	30,000	3/10/2016	6/30/2020	6/30/2020	House Bill 219 Ch 81, Sec 22, Par 62	30,000	-
Solid Waste Convenience Ctrs Compactors	90,910	3/10/2016	6/30/2020	6/30/2020	House Bill 219 Ch 81, Sec 18, Par 4	9,979	80,391
Hobson Rd Improvements Menominee/US 285	167,428	3/10/2016	6/30/2020	6/30/2020	House Bill 219 Ch 81, Sec 24, Par 14	8,786	158,642
Waste Convenience Ctr Compactors	30,000	6/17/2015	6/30/2019	6/30/2019	Senate Bill 1 Ch 3, Sec 20, Par 6	30,000	-
Courthouse Security Improvements	25,000	6/17/2015	6/30/2019	6/30/2019	Senate Bill 1 Ch 3, Sec 28, Par 88	25,000	-
Pecos River & Hagerman Canal Structures	135,000	6/17/2015	6/30/2019	6/30/2019	Senate Bill 1 Ch 3, Sec 28, Par 89	69,822	-
Hobson Rd Improvements, Roswell	512,000	6/17/2015	6/30/2019	6/30/2019	Senate Bill 1 Ch 3, Sec 33, Par 13	48,378	463,622
Hobson Rd Improvements, Roswell	200,000	6/24/2014	6/30/2018	6/30/2018	House Bill 55 Ch 66, Sec 25, Par 18	140,345	-
Solid Waste Convenience Ctrs Compactors	101,000	6/24/2014	6/30/2018	6/30/2018	House Bill 55 Ch 66, Sec 16, Par 8	101,000	-
Roswell JOY Center Equip	4,010	3/11/2014	6/30/2018	6/30/2018	Senate Bill 53 Ch 65 Section 10 Par A	4,010	-
Roswell JOY Center Improve Code	67,240	3/11/2014	6/30/2018	6/30/2018	Senate Bill 53 Ch 65 Section 10 Par A	55,585	-
Roswell Joy Center Meals Equipment	11,200	3/11/2014	6/30/2018	6/30/2018	Senate Bill 53 Ch 65 Section 10 Par A	11,200	-
Hagerman/Dexter Senior Center Vehicles	43,700	3/10/2016	6/30/2021	6/30/2021	Senate Bill 122 Ch 82 Section 10 Par A	-	-
Lake Arthur Senior Center Vehicles	43,700	3/10/2016	6/30/2021	6/30/2021	Senate Bill 122 Ch 82 Section 10 Par A	-	-
Roswell Senior Center Vehicles	300,200	3/10/2016	6/30/2021	6/30/2021	Senate Bill 122 Ch 82 Section 10 Par A	-	176,457
Chaves County Courthouse Elevator	246,800	3/7/2018	6/30/2022	6/30/2022	House Bill 306 Page 100 Section 26	-	246,800
Chaves County Digital Trunk Radio System	220,000	3/7/2018	6/30/2022	6/30/2022	House Bill 306 Page 100 Section 26	-	220,000
Chaves County Veteran's Transp. Vans	100,000	3/7/2018	6/30/2022	6/30/2022	House Bill 306 Page 100 Section 26	-	100,000
Hobson Road/US 285 Improve Chaves Co.	205,512	3/7/2018	6/30/2022	6/30/2022	House Bill 306 Page 124 Section 32	-	205,512
Total	\$ 2,558,700					\$ 559,105	\$ 1,125,912

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2018**

Agreement Number	Participants	Parties Responsible for Operations	Description	Beginning and Ending Dates
	New Mexico Counties	NM Association of Counties	Creation and operation of a worker's compensation fund	7/01/87 - indefinite
	New Mexico Counties	NM Association of Counties	To provide a multi-line fund for property and casualty insurance	7/01/87 - indefinite
A-84-83	Chaves County and Otero County	Chaves County and Otero County	Construction and maintenance of County roads	10/19/84 - indefinite
A-90-15	Chaves County and City of Roswell	Chaves County and City of Roswell	Coordinating control of all disasters within their respective jurisdictions	4/12/90 - indefinite
A-95-77	NM State Highway Department; SNMEDD; SEPRO	NM State Highway Department	Data collection requirements of the Intermodal Surface Transportation	10/17/95 - indefinite
A-98-90	NM State Highway Department and Chaves County	Chaves County	Energy and maintenance of warning flashers at the intersection of the Relief	11/24/98 - indefinite
A-01-24	NMPRC Insurance Division; Fire Marshal's Office and Chaves County (WIPP Grant)	Chaves County	Develop and implement a county-wide hazardous materials emergency response training program	4/09/01 - indefinite
A-02-165	NM State Highway Department and Chaves County	Chaves County	To provide electrical energy and maintenance of lighting at the intersection of US 285 and the Roswell Relief Route	1/24/03 - indefinite
A-02-172	Chaves County and State of New Mexico Department of Corrections	Chaves County	To establish the rights and responsibilities of the parties as to the operation of the Chaves County District 8 Fire Station	12/13/02 - indefinite
A-04-91	NM Energy, Minerals and Natural Resources, Chaves County	Chaves County	The control of timber, grass and woodland fires in and adjacent to developed areas	9/13/04 - indefinite
A-05-15 Amend #1	City of Roswell and Chaves County	Pecos Valley Regional Communication Center District	Operating, administering and maintaining a joint enhanced 911 Regional Emergency	7/19/05 - indefinite 12/21/17 - indefinite
A-05-045	Chaves County and the Town of Dexter	Chaves County and the Town of Dexter	To provide for protection of life and property by enforcement codes and	N/A
A-06-014	Chaves County and Flood Control	Chaves County and Flood Control	To establish Flood Control as a Chaves County department	4/06/06 - indefinite

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
JUNE 30, 2018**

Total Estimated Amount of the Project and Portion Applicable to the	Amount of Agency Contribution in the Current Fiscal Year	Name of Government Agency where Revenues and Expenditures are		Fiscal Agent (if applicable)
		Audit Responsibility	Reported	
N/A	N/A	NM Association of Counties	NM Association of Counties	NM Association of Counties
N/A	N/A	NM Association of Counties	NM Association of Counties	NM Association of Counties
N/A	N/A	Chaves County and Otero County	N/A	Chaves County and Otero County
N/A	N/A	Chaves County and City of Roswell	Chaves County and City of Roswell	Chaves County and City of Roswell
N/A	N/A	SNMEDD	SNMEDD	SNMEDD
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County
\$500,000	\$579,190	Pecos Valley Regional Communication Center	N/A	Pecos Valley Regional Communication Center
N/A	N/A	Chaves County	N/A	Chaves County
N/A	N/A	Chaves County	N/A	Chaves County

STATISTICAL SECTION

**STATE OF NEW MEXICO
CHAVES COUNTY
STATISTICAL SECTION DESCRIPTIONS
JUNE 30, 2018**

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the County's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the County's current levels of outstanding debt as well as assess the County's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the County's financial activities take place and to help make comparisons with other municipalities.

Operating Information

These schedules contain information about the County's operations and various resources to help the reader draw conclusions as to how the County's financial information relates to the services provided by the County.

STATE OF NEW MEXICO
CHAVES COUNTY

NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position					
Net investment in capital assets	\$ 106,855,738	\$ 105,441,719	\$ 105,759,730	\$ 104,316,888	\$ 93,963,305
Restricted	67,419,604	65,792,872	64,183,013	64,172,880	69,146,304
Unrestricted (deficit)	<u>(23,395,642)</u>	<u>(10,959,240)</u>	<u>(6,995,002)</u>	<u>(6,985,709)</u>	<u>13,029,574</u>
Total net position	<u>\$ 150,879,700</u>	<u>\$ 160,275,351</u>	<u>\$ 162,947,741</u>	<u>\$ 161,504,059</u>	<u>\$ 176,139,183</u>
Net Position					
Net investment in capital assets	\$ 92,643,379	\$ 116,611,132	\$ 151,171,973	\$ 96,045,467	\$ 94,416,903
Restricted	74,179,207	70,373,339	70,667,370	71,121,792	67,424,184
Unrestricted	<u>8,662,048</u>	<u>15,141,356</u>	<u>15,677,905</u>	<u>13,292,772</u>	<u>13,045,032</u>
Total net position	<u>\$ 175,484,634</u>	<u>\$ 202,125,827</u>	<u>\$ 237,517,248</u>	<u>\$ 180,460,031</u>	<u>\$ 174,886,119</u>

Note: During the fiscal year ended June 30, 2015, the County implemented GASB 68. The portion of unrestricted (deficit) net position directly related to GASB 68 was \$(17,049,786), \$(15,865,690), and \$(14,073,548) for the years ended June 30, 2018, 2017, and 2016, respectively.

Note: During the fiscal year ended June 30, 2018, the County implemented GASB 75. The portion of unrestricted (deficit) net position directly related to GASB 75 was \$(13,093,564) for the year ended June 30, 2018.

Source: The source of this information is the County's financial records.

STATE OF NEW MEXICO
CHAVES COUNTY
EXPENSES, PROGRAM REVENUES AND NET (EXPENSE) REVENUE
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
General government	\$ 7,937,326	\$ 7,417,325	\$ 7,847,105	\$ 8,202,300	\$ 8,290,451
Public safety	14,597,822	15,915,084	12,986,788	11,802,943	10,996,637
Public works	8,025,120	8,512,710	7,737,892	6,559,759	7,075,627
Culture and recreation	104,773	110,727	83,037	127,301	133,051
Health and welfare	4,299,935	4,312,294	4,362,604	3,873,800	3,181,442
Interest on long-term debt	312,530	226,078	356,958	339,722	385,090
Total governmental activities expenses	<u>35,277,506</u>	<u>36,494,218</u>	<u>33,374,384</u>	<u>30,905,825</u>	<u>30,062,298</u>
Program Revenues					
Charges for services:					
General government	\$ 2,502,540	\$ 1,961,657	1,642,378	1,331,631	1,389,299
Public safety	117,322	178,479	111,893	113,992	102,098
Public works	60,894	120,151	39,181	96,341	38,676
Operating grants and contributions	2,876,608	2,394,814	2,866,897	2,118,192	2,252,093
Capital grants and contributions	915,313	956,137	1,064,629	2,193,546	933,006
Total program revenues	<u>6,472,677</u>	<u>5,611,238</u>	<u>5,724,978</u>	<u>5,853,702</u>	<u>4,715,172</u>
Net (Expense) Revenue	<u>\$ (28,804,829)</u>	<u>\$ (30,882,980)</u>	<u>\$ (27,649,406)</u>	<u>\$ (25,052,123)</u>	<u>\$ (25,347,126)</u>

STATE OF NEW MEXICO
CHAVES COUNTY
EXPENSES, PROGRAM REVENUES AND NET (EXPENSE) REVENUE (CONTINUED)
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
General government	\$ 8,179,487	\$ 11,772,859	\$ 9,064,603	\$ 6,755,562	\$ 8,483,410
Public safety	11,524,608	11,515,590	10,917,930	9,336,016	8,809,184
Public works	6,963,017	6,964,010	4,005,389	9,163,682	6,774,741
Culture and recreation	134,673	122,896	108,600	102,480	147,500
Health and welfare	3,551,116	6,333,835	7,893,800	6,409,068	8,141,069
Interest on long-term debt	301,387	307,958	341,481	395,601	421,290
Total governmental activities expenses	<u>30,654,288</u>	<u>37,017,148</u>	<u>32,331,803</u>	<u>32,162,409</u>	<u>32,777,194</u>
Program Revenues					
Charges for services					
General government	1,569,190	1,339,252	1,212,970	993,731	915,335
Public safety	173,333	169,477	7,193	-	862,746
Public works	144,274	84,122	59,677	903	-
Operating grants and contributions	2,409,845	3,770,794	9,103,069	3,358,788	3,071,177
Capital grants and contributions	472,944	1,186,305	2,667,906	-	254,104
Total program revenues	<u>4,769,586</u>	<u>6,549,950</u>	<u>13,050,815</u>	<u>4,353,422</u>	<u>5,103,362</u>
Net (Expense) Revenue	<u>\$ (25,884,702)</u>	<u>\$ (30,467,198)</u>	<u>\$ (19,280,988)</u>	<u>\$ (27,808,987)</u>	<u>\$ (27,673,832)</u>

Source: The source of this information is the County's financial records.

STATE OF NEW MEXICO
CHAVES COUNTY
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense) Revenue	\$ (28,804,829)	\$ (30,882,980)	\$ (27,649,406)	\$ (25,052,123)	\$ (25,347,126)
General Revenues					
Taxes					
Property taxes, levied for general purposes	9,844,911	8,762,252	8,393,175	9,090,957	8,840,619
Property taxes, levied for capital purposes	1,429,581	1,394,140	1,362,304	1,317,706	1,255,573
Gross receipts taxes	14,740,064	11,734,763	11,865,673	7,935,051	8,052,325
Gasoline and motor vehicle taxes	1,561,917	1,505,996	1,706,243	2,073,656	2,349,996
Other taxes *	-	1,066,133	1,163,063	1,083,664	1,188,656
Unrestricted federal aid	3,683,677	3,636,563	3,370,740	2,817,940	3,067,778
Licenses and fees	-	-	-	-	-
Investment income	1,013,633	110,743	1,231,890	1,080,615	1,246,728
Contributions	-	-	-	-	-
Miscellaneous income	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	-
Total general revenues	32,273,783	28,210,590	29,093,088	25,399,589	26,001,675
Changes in Net Position	\$ 3,468,954	\$ (2,672,390)	\$ 1,443,682	\$ 347,466	\$ 654,549

STATE OF NEW MEXICO
CHAVES COUNTY
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION (CONTINUED)
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense) Revenue	\$ (25,884,702)	\$ (30,467,198)	\$ (19,280,988)	\$ (27,808,987)	\$ (27,673,832)
General Revenues					
Taxes					
Property taxes, levied for general purposes	8,687,211	8,391,027	7,902,236	12,249,508	9,500,977
Property taxes, levied for capital purposes	1,221,224	1,208,012	1,191,958	-	-
Gross receipts taxes	7,410,816	7,576,240	7,424,494	7,852,548	11,082,567
Gasoline and motor vehicle taxes	2,382,243	2,550,998	2,195,484	2,343,430	2,278,360
Other taxes *	989,386	894,645	1,218,259	468,905	-
Unrestricted federal aid	2,860,983	2,928,777	2,865,630	-	-
Licenses and fees	-	-	-	912,267	-
Investment income	27,223	1,243,760	873,486	3,016,728	3,023,617
Contributions	-	-	-	4,609,582	-
Miscellaneous income	-	-	-	236,566	7,185,505
Loss on disposal of capital assets	-	-	-	(261,603)	949,259
Total general revenues	<u>23,579,086</u>	<u>24,793,459</u>	<u>23,671,547</u>	<u>31,427,931</u>	<u>34,020,285</u>
Changes in Net Position	<u>\$ (2,305,616)</u>	<u>\$ (5,673,739)</u>	<u>\$ 4,390,559</u>	<u>\$ 3,618,944</u>	<u>\$ 6,346,453</u>

Source: The source of this information is the County's financial records.
* In fiscal year 2018, revenues in this line item were reclassified into gross receipts tax revenues and charges for services.

STATE OF NEW MEXICO
 CHAVES COUNTY
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST 10 FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund					
Nonspendable	\$ 167,551	\$ 157,257	\$ 170,101	\$ 155,354	\$ 143,514
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	<u>5,962,160</u>	<u>3,728,649</u>	<u>5,515,570</u>	<u>8,293,265</u>	<u>13,753,900</u>
Total general fund	<u>\$ 6,129,711</u>	<u>\$ 3,885,906</u>	<u>\$ 5,685,671</u>	<u>\$ 8,448,619</u>	<u>\$ 13,897,414</u>
All Other Governmental Funds					
Nonspendable	\$ 50,838,123	\$ 50,978,996	\$ 50,893,636	\$ 50,997,647	\$ 51,046,536
Restricted	15,636,687	14,262,073	14,098,871	14,108,135	16,563,688
Committed	1,782,917	1,494,819	1,317,314	1,642,179	1,476,458
Unassigned	-	-	(637,586)	(3,592,252)	(26,554)
Total all other governmental funds	<u>\$ 68,257,727</u>	<u>\$ 66,735,888</u>	<u>\$ 65,672,235</u>	<u>\$ 63,155,709</u>	<u>\$ 69,060,128</u>

STATE OF NEW MEXICO
CHAVES COUNTY
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
LAST 10 FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund					
Nonspendable	\$ 140,735	\$ 146,367	\$ -	\$ -	\$ -
Restricted	-	-	1,000,000	-	-
Unassigned	13,624,949	15,343,784	16,090,847	-	-
Reserved	-	-	-	208,676	811,262
Unreserved	-	-	-	13,617,431	11,483,874
Total general fund	<u>\$ 13,765,684</u>	<u>\$ 15,490,151</u>	<u>\$ 17,090,847</u>	<u>\$ 13,826,107</u>	<u>\$ 12,295,136</u>
All Other Governmental Funds					
Nonspendable	\$ 51,126,690	\$ 51,237,673	\$ 51,330,469	\$ -	\$ -
Restricted	21,500,493	16,412,270	14,881,390	-	-
Committed	1,562,731	2,632,162	3,373,014	-	-
Reserved	-	-	-	54,568,283	56,609,051
Unreserved, reported in Special revenue funds Capital projects funds	-	-	-	14,712,910	13,283,742
Total all other governmental funds	<u>\$ 74,189,914</u>	<u>\$ 70,282,105</u>	<u>\$ 69,584,873</u>	<u>\$ 70,587,686</u>	<u>\$ 70,594,029</u>

Source: The source of this information is the County's financial records.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

**STATE OF NEW MEXICO
CHAVES COUNTY
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND DEBT SERVICE RATIO
LAST 10 FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
REVENUES					
Property taxes	\$ 11,195,705	\$ 10,153,338	\$ 9,730,802	\$ 10,270,397	\$ 10,136,414
Gasoline and motor vehicle taxes	1,583,955	1,505,996	1,730,243	2,027,618	2,349,996
Gross receipts taxes	14,740,064	11,734,763	11,865,673	7,935,051	8,052,325
Other taxes *	-	1,066,133	1,163,063	1,151,316	1,121,004
State grants and contributions	3,731,809	3,151,360	3,675,397	3,942,704	2,986,212
Federal grants and contributions	3,743,789	3,705,218	3,496,864	3,056,140	3,144,345
Charges for services	1,136,171	756,220	557,207	413,983	477,078
Licenses and fees	680,778	612,065	525,505	464,447	439,370
Investment income (loss)	1,013,633	110,743	1,231,890	1,080,615	1,246,728
Contributions	-	-	-	-	-
Other	863,807	939,727	835,861	788,537	735,401
Total revenues	38,689,711	33,735,563	34,812,505	31,130,808	30,688,873
EXPENDITURES					
Current					
General government	6,289,364	6,478,195	5,986,719	6,210,418	5,701,591
Public safety	12,423,633	12,936,146	11,294,155	10,405,168	9,116,461
Public works	5,642,896	5,532,210	5,937,097	5,004,346	4,503,655
Culture and recreation	92,703	99,911	85,066	137,208	126,378
Health and welfare	4,283,540	4,294,735	4,365,628	3,881,935	3,184,580
Capital outlay	3,877,139	3,104,874	5,261,387	15,157,798	11,702,176
Debt service					
Principal	1,721,679	1,678,293	1,572,412	1,433,924	1,356,028
Interest and fees	435,468	347,311	477,105	435,504	500,393
Loan issuance costs	-	-	-	2,003	4,613
Total expenditures	34,766,422	34,471,675	34,979,569	42,668,304	36,195,875
Excess (deficiency) of revenues over (under) expenditures	\$ 3,923,289	\$ (736,112)	\$ (167,064)	\$ (11,537,496)	\$ (5,507,002)
Expenditures for capitalized assets	\$ 3,433,116	\$ 2,462,571	\$ 3,583,641	\$ 13,270,027	\$ 7,960,675
Debt service as a percentage of noncapital expenditures	7%	6%	7%	6%	7%

**STATE OF NEW MEXICO
CHAVES COUNTY
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND DEBT SERVICE RATIO (CONTINUED)
LAST 10 FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
REVENUES					
Property taxes	\$ 10,059,276	\$ 9,599,477	\$ 9,391,293	\$ 11,974,302	\$ 11,633,903
Gasoline and motor vehicle taxes	2,382,243	2,550,998	2,195,484	2,343,430	1,308,242
Gross receipts taxes	7,410,816	7,576,240	7,424,494	7,852,548	9,340,741
Other taxes *	1,059,511	928,987	1,113,792	468,905	-
State grants and contributions	2,635,334	3,085,795	4,137,740	3,248,912	-
Federal grants and contributions	2,983,987	3,579,053	4,011,068	109,876	-
Intergovernmental	-	-	-	-	4,892,874
Charges for services	477,894	449,843	328,652	994,634	81,989
Licenses and fees	509,199	505,024	468,452	912,267	914,169
Investment income (loss)	27,223	1,243,760	873,486	3,016,728	3,030,523
Contributions	-	1,000,000	5,000,000	4,609,582	-
Other	982,867	859,012	1,970,533	295,916	6,973,049
Total revenues	<u>28,528,350</u>	<u>31,378,189</u>	<u>36,914,994</u>	<u>35,827,100</u>	<u>38,175,490</u>
EXPENDITURES					
Current					
General government	5,800,146	5,920,816	6,691,393	5,801,344	7,022,429
Public safety	9,019,160	8,788,680	9,209,946	8,997,982	8,309,072
Public works	5,050,679	5,145,110	5,079,694	7,741,362	6,511,216
Culture and recreation	134,004	123,494	108,798	102,480	147,500
Health and welfare	3,549,717	6,332,563	7,893,914	6,408,651	8,095,521
Capital outlay	6,709,123	4,823,408	4,440,825	4,361,690	2,925,396
Debt service					
Principal	917,643	864,441	837,895	540,098	-
Interest and fees	337,806	343,505	379,082	393,887	490,553
Loan issuance costs	35,437	-	-	-	-
Total expenditures	<u>31,553,715</u>	<u>32,342,017</u>	<u>34,641,547</u>	<u>34,347,494</u>	<u>33,501,687</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (3,025,365)</u>	<u>\$ (963,828)</u>	<u>\$ 2,273,447</u>	<u>\$ 1,479,606</u>	<u>\$ 4,673,803</u>
Expenditures for capitalized assets	\$ 3,759,776	\$ 1,122,321	\$ 5,031,921	\$ 4,361,690	\$ 2,925,396
Debt service as a percentage of non-capital expenditures	5%	4%	4%	3%	2%

Note: Effective fiscal year 2010 the County adopted a new reporting captions for intergovernmental revenues

Source: The source of this information is the County's financial records.

* In fiscal year 2018, revenues in this line item were reclassified into gross receipts tax revenues and charges for services.

STATE OF NEW MEXICO
CHAVES COUNTY
OTHER FINANCING SOURCES (USES) AND NET CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ 3,923,289	\$ (736,112)	\$ (167,064)	\$ (11,537,496)	\$ (5,507,002)
Other financing sources (uses)					
Loan proceeds	-	-	-	267,003	619,613
Premium on loan issuance	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	8,007,113	9,546,466	7,675,000	12,165,550	5,302,282
Transfers out	(8,007,113)	(9,546,466)	(7,675,000)	(12,165,550)	(5,302,282)
Total other financing sources (uses)	-	-	-	267,003	619,613
Changes in fund balances	\$ 3,923,289	\$ (736,112)	\$ (167,064)	\$ (11,270,493)	\$ (4,887,389)
Excess (deficiency) of revenues over expenditures	\$ (3,025,365)	\$ (963,828)	\$ 2,273,447	\$ 1,479,606	\$ 4,673,803
Other financing sources (uses)					
Premium on loan issuance	783,083	-	-	-	-
Loan proceeds	4,725,000	-	126,785	-	-
Gain/(Loss) on investments	-	-	-	-	949,259
Sale of property	-	-	-	-	25,545
Proceeds from sale of assets	-	-	-	54,442	-
Transfers in	5,963,800	5,900,000	8,047,300	9,646,288	-
Transfers out	(5,963,800)	(5,900,000)	(8,047,300)	(9,671,288)	-
Total other financing sources (uses)	5,508,083	-	126,785	29,442	974,804
Changes in fund balances	\$ 2,482,718	\$ (963,828)	\$ 2,400,232	\$ 1,509,048	\$ 5,648,607

Source: The source of this information is the County's financial records.

**STATE OF NEW MEXICO
CHAVES COUNTY
GROSS RECEIPTS TAX REVENUE BY SOURCE
LAST 10 FISCAL YEARS**

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Utilities	\$ 802,153	\$ 801,872	\$ 783,810	\$ 517,005	\$ 499,272	\$ 444,333	\$ 439,997	\$ 427,008	\$ 407,935	\$ 461,304
Construction	1,525,017	1,436,423	1,356,531	838,233	984,104	780,926	850,754	694,846	746,004	849,346
Manufacturing	181,781	142,414	143,843	90,193	76,932	78,320	78,050	91,188	76,164	80,496
Wholesale trade	331,550	334,053	343,247	186,356	158,411	140,321	149,607	128,401	120,721	131,156
Retail trade	3,811,995	2,882,691	2,945,321	2,087,213	1,909,143	1,870,302	1,808,937	2,023,897	1,958,243	1,852,579
Information and cultural industries	465,366	475,456	491,195	291,860	305,540	321,689	319,725	419,209	344,836	336,263
Real estate, rental and leasing	153,004	130,907	131,533	88,008	70,487	79,701	81,040	85,282	50,589	65,276
Professional, scientific and technical	598,872	577,296	620,813	454,361	364,118	332,563	319,467	332,507	264,682	294,300
Healthcare and social assistance	884,977	759,306	694,463	379,225	331,900	262,296	349,011	391,138	415,269	470,417
Accommodation and food services	990,497	906,273	944,354	548,912	500,175	462,986	416,113	391,266	381,629	401,523
Other services (except public admin.)	1,201,340	1,216,747	476,127	831,449	911,234	946,527	872,213	813,845	876,555	1,099,305
Unclassified establishments	34,047	54,194	62,911	40,351	52,745	17,344	4,350	5,373	-	2
State food distribution	94,661	310,276	339,758	359,053	467,162	495,962	526,429	469,118	403,627	411,217
State medical distribution	26,584	652,682	600,148	88,002	111,102	93,005	106,059	80,478	79,919	78,645
Other business activity	741,854	538,428	1,253,211	414,692	463,036	486,739	470,189	548,260	449,409	555,607
Total	\$ 11,843,698	\$ 11,219,018	\$ 11,187,265	\$ 7,214,913	\$ 7,205,361	\$ 6,813,014	\$ 6,791,941	\$ 6,901,816	\$ 6,575,582	\$ 7,087,436

- Notes:** 1) Other business activity are industries that generate less than 7% of gross receipts tax individually. Those industries include the following business classifications using the North American Industry Classification System (NAICS): Finance and Insurance; Transportation and Warehousing; Administration and Support, Waste Management and Remediation; Educational Services; Arts, Entertainment and Recreation; Management of Companies and Enterprises; Agriculture, Forestry, Fishing and Hunting; Public Administration; Mining and Oil and Gas Extraction.
- 2) Intercepts of gross receipts taxes by the New Mexico Finance Authority (NMFA) for the payment of outstanding loans are excluded from the above data.
- 3) Increase of 3/8ths to the County's Gross Receipt Tax Rate implemented July 2015.

Source: State of New Mexico Taxation and Revenue Department and County records.

**STATE OF NEW MEXICO
CHAVES COUNTY
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST 10 FISCAL YEARS**

Fiscal Year	Property Taxes	Gross Receipts Taxes	Motor Vehicle Taxes	Gas Tax	Oil Tax	Other Taxes	Total
2018	\$ 10,373,585	\$ 12,265,370	\$ 741,904	\$ 348,038	\$ 421,626	\$ 119,288	\$ 24,269,811
2017	10,055,746	11,733,603	861,365	365,109	384,857	106,589	23,507,269
2016	9,669,250	10,787,779	902,515	356,123	501,647	89,865	22,307,178
2015	10,360,596	7,716,705	830,500	356,532	902,060	89,383	20,255,776
2014	10,136,414	8,052,325	688,972	350,802	1,310,222	1,121,004	21,659,739
2013	10,059,276	7,410,816	809,384	358,260	1,237,456	1,036,654	20,911,846
2012	9,599,477	7,576,240	809,109	344,933	1,434,011	891,932	20,655,702
2011	9,391,293	7,424,494	752,254	352,302	1,306,042	898,678	20,125,063
2010	11,974,302	7,852,548	806,174	298,284	1,098,872	609,005	22,639,185
2009	10,246,284	9,340,741	773,719	353,044	1,387,619	181,479	22,282,886

Source: The source of this information is the County's financial records.

**STATE OF NEW MEXICO
CHAVES COUNTY
GROSS RECEIPTS TAX RATES
LAST 10 FISCAL YEARS**

Governmental Entity	Location Code	Fiscal Year Ended June 30,											
		2018		2017		2016		2015		2014			
		Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun		
Dexter	04-201	7.3125%	7.3958%	7.3125%	7.3125%	7.3125%	7.3125%	6.9375%	7.3125%	6.9375%	7.1250%	6.9375%	6.9375%
Hagerman	04-300	7.5000%	7.5833%	7.5000%	7.5000%	7.5000%	7.5000%	7.1250%	7.5000%	7.1250%	7.5000%	7.1250%	7.1250%
Lake Arthur	04-400	6.8125%	6.8958%	6.8125%	6.8125%	6.8125%	6.8125%	6.4375%	6.8125%	6.4375%	6.8125%	6.4375%	6.4375%
Roswell	04-101	7.6875%	7.8333%	7.5000%	7.5000%	7.5000%	7.5000%	7.1250%	7.5000%	7.1250%	7.5000%	7.1250%	7.1250%
Remainder of County	04-004	6.4375%	6.5208%	6.4375%	6.4375%	6.4375%	6.4375%	6.0625%	6.4375%	6.0625%	6.4375%	6.0625%	6.0625%

Governmental Entity	Location Code	Fiscal Year Ended June 30,											
		2013		2012		2011		2010		2009			
		Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun		
Dexter	04-201	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%	6.8125%
Hagerman	04-300	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%
Lake Arthur	04-400	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%	6.3125%
Roswell	04-101	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%	7.0000%
Remainder of County	04-004	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	5.9375%	5.9375%	5.9375%	5.9375%	5.9375%	5.9375%

Source: State of New Mexico, Taxation and Revenue Department.

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST 10 FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Roll Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2018	2017	\$ 8,798,658	\$ 8,442,230	95.95 %	\$ -	\$ 8,442,230	95.95 %
2017	2016	8,382,028	8,054,420	96.09	-	8,054,420	96.09
2016	2015	8,133,389	7,836,733	96.35	-	7,836,733	96.35
2015	2014	8,870,518	8,570,453	96.62	175,067	8,745,520	98.59
2014	2013	8,590,336	8,304,022	96.67	253,545	8,557,567	99.62
2013	2012	8,355,975	8,059,708	96.45	274,652	8,334,360	99.74
2012	2011	8,174,196	7,859,291	96.15	309,416	8,168,707	99.93
2011	2010	8,037,280	7,707,147	95.89	327,758	8,034,905	99.97
2010	2009	7,948,922	7,532,285	94.76	414,388	7,946,673	99.97
2009	2008	8,070,632	7,022,553	87.01	1,046,794	8,069,347	99.98

Source: The source of this information is the County Treasurer's records.

- Notes:**
- 1) Amounts collected are on a cash basis.
 - 2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 95% of unsecured property taxes are collected within 90 days after the due date.
 - 3) Taxes Levied for the Fiscal Year are updated to reflect all Tax Roll corrections for the full reported periods.

STATE OF NEW MEXICO
CHAVES COUNTY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY BY CLASS
LAST 10 FISCAL YEARS

<u>Tax Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Personal Property</u>	<u>Manufactured Homes</u>	<u>State Assessed Property</u>	<u>Livestock</u>	<u>Exemptions</u>	<u>Total Taxable Value</u>	<u>Full Value (3 x Taxable Value)</u>
2017	\$ 156,686,614	\$ 830,728,271	\$ 41,271,173	\$ 25,677,407	\$ 179,671,239	\$ 49,832,289	\$ (97,068,334)	\$ 1,186,798,659	\$ 3,560,395,977
2016	150,378,654	818,978,104	36,661,326	24,787,629	191,645,152	62,677,407	(98,140,681)	1,186,987,591	3,560,962,773
2015	145,883,611	795,211,992	38,476,661	22,611,107	175,845,575	48,697,044	(94,717,340)	1,132,008,650	3,396,025,950
2014	145,882,357	795,197,826	38,471,478	22,611,107	175,845,575	48,696,209	(94,794,780)	1,131,909,772	3,395,729,316
2013	142,627,555	772,885,121	39,048,348	21,654,953	149,003,956	37,218,731	(95,411,236)	1,067,027,428	3,201,082,284
2012	140,006,933	759,204,574	38,935,395	20,729,635	134,437,373	38,651,921	(105,367,053)	1,026,598,778	3,079,796,334
2011	136,857,509	717,171,928	41,088,150	19,504,587	131,936,925	33,402,353	(90,575,905)	989,385,547	2,968,156,641
2010	132,944,804	688,378,228	41,350,060	18,705,455	131,370,778	29,288,464	(62,192,846)	979,844,943	2,939,534,829
2009	129,791,544	642,283,770	39,980,881	18,417,662	135,315,601	37,201,991	(35,170,697)	967,820,752	2,903,462,256
2008	126,325,865	612,745,264	39,374,274	17,916,907	124,842,297	40,287,590	(33,928,224)	927,563,973	2,782,691,919

Source: County Assessor's Records.

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX RATES (MIL RATES) - DIRECT AND OVERLAPPING
LAST 10 FISCAL YEARS**

Tax Year	Direct Rates			Overlapping Rates										Special District		
	State of New Mexico	Chaves County	City of Roswell	Municipalities			School Districts									
				Town of Roswell	Town of Dexter	Town of Lake Arthur	Roswell School District	Dexter School District	Hagerman School District	Lake Arthur School District	ENMU School District	Artesia School District	Elida School District	Tatum School District	NMJC College	
2018	Residential	1.3600	5.3260	7.2170	1.1250	2.0150	7.8050	12.2290	7.3060	13.5560	0.8670	6.9800	2.1940	7.2480	3.5240	1.0000
	Non-Residential	1.3600	9.6160	8.2040	2.2250	2.0400	8.1320	12.5100	7.6870	13.7170	1.0000	7.5000	2.4010	7.6650	5.0000	1.0000
2017	Residential	1.3600	5.3050	7.1540	1.1240	2.0110	7.7960	13.3940	7.2580	16.7880	0.8510	7.1600	2.2650	7.7950	3.5400	1.0000
	Non-Residential	1.3600	9.0440	8.1960	2.1740	2.0040	8.0990	13.5960	7.4380	16.8500	0.9690	7.4650	2.2330	8.4010	5.0000	1.0000
2016	Residential	1.3600	5.4330	7.2950	1.1550	2.0590	7.8480	12.1910	7.4240	9.5440	0.8710	7.2780	2.4210	5.5340	3.6280	1.0000
	Non-Residential	1.3600	9.2850	8.1820	2.1850	2.0660	8.1360	12.3190	7.6290	9.7020	0.9950	7.5000	2.4380	5.8890	5.0000	1.0000
2015	Residential	1.3600	6.5260	7.3980	1.1770	2.0700	7.8780	12.2220	7.3960	9.5730	1.9190	7.3280	2.3960	5.4310	3.7290	1.0000
	Non-Residential	1.3600	10.3500	8.1900	2.2160	2.1210	8.1350	12.5960	7.6340	9.7560	2.0350	7.4570	2.4180	5.7390	5.0000	1.0000
2014	Residential	7.3980	1.3600	6.5260	1.1770	2.0700	7.8790	12.2210	7.3960	9.5730	1.9190	7.3280	2.3950	5.4310	3.7290	1.0000
	Non-Residential	8.1900	1.3600	10.3500	2.2160	2.1210	8.1350	12.5960	7.6340	9.7560	2.0350	7.4570	2.4180	5.7390	5.0000	1.0000
2013	Residential	8.1500	1.3600	6.6210	1.2010	2.0970	7.9540	12.2480	7.4170	8.6220	1.9320	7.3900	2.4340	5.5240	3.8620	1.0000
	Non-Residential	8.8720	1.3600	10.3500	2.1810	2.1190	8.1800	12.5560	7.5910	8.7670	2.0350	7.4640	2.4560	5.7700	5.0000	1.0000
2012	Residential	8.3180	1.3600	6.7290	1.2210	2.1080	7.9060	12.3130	7.1600	4.5270	1.9470	7.4190	6.2700	5.1760	3.9410	1.0000
	Non-Residential	8.9220	1.3600	10.3500	2.2250	2.2230	8.1410	12.5920	7.8870	4.5820	2.0350	7.5000	6.2960	5.4680	5.0000	1.0000
2011	Residential	8.1600	1.3620	6.5650	1.1880	2.0360	7.8320	12.6020	7.1800	4.1690	2.2600	7.3100	6.8790	5.1240	3.9410	1.0000
	Non-Residential	8.9350	1.3620	10.3500	2.2250	2.2250	8.1230	12.9010	7.3990	4.3170	2.3710	7.5000	6.9500	5.4150	5.0000	1.0000
2010	Residential	8.2530	1.5300	6.5990	1.2080	2.0350	7.9160	11.7570	9.8280	4.6530	2.2650	7.3440	7.3170	5.6720	3.9800	1.0000
	Non-Residential	8.9850	1.5300	10.3500	2.2250	2.1940	8.1960	12.0400	10.0340	4.9080	2.3710	7.5000	7.3220	5.9520	5.0000	1.0000
2009	Residential	8.4760	1.1500	6.7780	1.2550	2.0840	7.9340	11.7450	9.5480	3.5560	2.2890	7.4370	5.9000	5.6340	4.1420	1.0000
	Non-Residential	8.9580	1.1500	10.3500	2.2250	2.2250	8.1540	12.0430	9.7210	3.7380	2.3710	7.5000	5.9850	5.8700	5.0000	1.0000

Source: State of New Mexico, Taxation and Revenue Department, Certified by Chaves County.

**STATE OF NEW MEXICO
CHAVES COUNTY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Taxpayer	2018		2009	
	Primary Assessed Valuation	Percentage of County's Net Assessed Valuation	Primary Assessed Valuation	Percentage of County's Net Assessed Valuation
S W P S	\$ 30,417,908	2.56 %	\$ 16,161,882	1.74 %
MID AMERICA PIPELINE COMPANY	29,323,763	2.47	11,011,719	1.19
BURLINGTON NORTHERN THE & ; SANTA FE RAILWAY CO	27,183,728	2.29	11,746,210	1.27
TRANSWESTERN PIPELINE CO ; PROPERTY TAX DEPARTMENT	19,603,811	1.65	14,808,827	1.60
ROSWELL HOSPITAL CORPORATION	13,182,742	1.11	-	0.00
AGAVE ENERGY COMPANY ; C/O INDUSTRIAL VALUATION SERVICE	12,455,364	1.05	9,073,302	0.98
CENTRAL VALLEY ELECTRIC	11,204,809	0.94	6,006,367	0.65
CORTEZ PIPELINE COMPANY	10,250,772	0.86	3,782,492	0.41
EL PASO NATURAL GAS CO	8,867,033	0.75	9,214,956	0.99
WESTERN REFINING PIPELINE, LLC	5,396,693	0.45	-	0.00
NEW MEXICO GAS COMPANY	5,116,437	0.43	-	0.00
THREE AMIGOS DAIRY	4,800,688	0.40	-	0.00
ASHLEY, KARNS, BAKER PROPERTIES, LTD	4,578,939	0.39	4,526,517	0.49
QWEST CORPORATION	4,422,784	0.37	6,709,400	0.72
HOEKSTRA FAMILY TRUST ; LOUIS & ALNEATA G TRUSTEES	4,174,173	0.35	-	0.00
COMMUNITY HEALTH SYSTEMS INC	-	0.00	15,540,766	1.68
PHYSICIANS REAL ESTATE DEVELOPMENT LLC ; NEW MEXICO MEDICAL	-	0.00	6,801,633	0.73
NUSTAR LOGISTICS, LP	-	0.00	3,994,276	0.43
SELECT MILK PRODUCERS	-	0.00	3,886,472	0.42
PNM GAS SERVICES ; ATTN:STATE & LOCAL TAXES	-	0.00	3,345,270	0.36
Total	\$ 190,979,644	16.09 %	\$ 126,610,089	13.65 %
County's Total Assessed Valuation	\$ 1,186,798,619		\$ 927,563,973	

Source: The source of this information is the County Assessor's tax records.

**STATE OF NEW MEXICO
CHAVES COUNTY
OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities				Total Outstanding Debt					Ratio of Total Debt Per Capita
	General Obligation Bonds	NMFA Loans	Refunding Revenue Bonds	Total	Taxable Value of Property	Percentage of Assessed Property Value	Percentage of Personal Income	Total Population	Total Population	
2018	\$ -	\$ 4,043,233	\$ 1,837,167	\$ 5,880,400	\$ 1,186,798,659	0.50 %	n/a %	\$ 64,866	64,866	90.65
2017	-	4,663,220	3,040,149	7,703,369	1,186,987,591	0.65	0.33	65,282	65,282	118.00
2016	-	5,279,821	4,203,131	9,482,952	1,132,008,650	0.84	0.41	65,764	65,764	144.20
2015	-	5,870,541	5,286,113	11,156,654	1,131,909,772	0.99	0.58	65,878	65,878	169.35
2014	-	6,160,770	6,264,095	12,424,865	1,067,027,428	1.16	0.58	66,041	66,041	188.14
2013	-	6,085,547	7,172,077	13,257,624	1,026,598,778	1.29	0.63	65,823	65,823	201.41
2012	-	625,693	7,895,000	8,520,693	989,385,547	0.86	0.44	65,784	65,784	129.53
2011	-	675,134	8,710,000	9,385,134	979,844,943	0.96	0.52	65,890	65,890	142.44
2010	-	596,154	9,500,000	10,096,154	967,820,752	1.04	0.50	65,778	65,778	153.49
2009	-	474,056	10,000,000	10,474,056	927,563,973	1.13	0.56	63,622	63,622	164.63

Source: The source of this information is the County's financial records.

**STATE OF NEW MEXICO
CHAVES COUNTY
LEGAL DEBT MARGIN INFORMATION
LAST 10 FISCAL YEARS**

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 47,471,946	\$ 47,479,504	\$ 45,280,346	\$ 45,276,391	\$ 42,681,097	\$ 41,063,951	\$ 39,575,422	\$ 39,193,798	\$ 38,712,830	\$ 37,102,559
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 47,471,946	\$ 47,479,504	\$ 45,280,346	\$ 45,276,391	\$ 42,681,097	\$ 41,063,951	\$ 39,575,422	\$ 39,193,798	\$ 38,712,830	\$ 37,102,559
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$ 1,186,798,659
Debt Limit (4% of total assessed value)	47,471,946
Debt Applicable to Limit	-
Legal Debt Margin	<u>\$ 47,471,946</u>

Source: The source of this information is the County's financial records.

**STATE OF NEW MEXICO
CHAVES COUNTY
PLEDGED REVENUE COVERAGE
LAST 10 FISCAL YEARS**

General Obligation & Refunding Bonds					
Fiscal Year Ended June 30,	Gross Receipt Tax Revenues	Debt Service			Coverage
		Principal	Interest	Total	
2018	\$ 2,450,516	\$ 1,180,000	\$ 97,113	\$ 1,277,113	192%
2017	2,387,693	1,140,000	142,648	1,282,648	186%
2016	2,323,132	1,060,000	185,415	1,245,415	187%
2015	2,488,215	955,000	224,336	1,179,336	211%
2014	2,456,373	885,000	259,535	1,144,535	215%
2013	2,300,360	860,000	292,475	1,152,475	200%
2012	2,312,998	815,000	323,678	1,138,678	203%
2011	2,295,575	790,000	353,183	1,143,183	201%
2010	2,229,378	500,000	376,590	876,590	254%
2009	2,388,329		489,485	489,485	n/a

Note: The County currently has no general obligation debt outstanding.

Source: The source of this information is the County's financial records.

**STATE OF NEW MEXICO
CHAVES COUNTY
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to County</u>	<u>Estimated Amount Applicable to County</u>
DIRECT:			
Chaves County	\$ 7,188,369	100.00%	\$ 7,188,369
OVERLAPPING DEBT:			
State of New Mexico	2,742,055,000	2%	54,841,100
Municipalities:			
City of Roswell	13,894,000	100.00%	13,894,000
Town of Dexter	18,406	100.00%	18,406
Town of Hagerman	309,240	100.00%	309,240
Town of Lake Arthur	81,621	100.00%	81,621
School Districts:			
Roswell Independent School Dist.	37,513,000	100.00%	37,513,000
Dexter Schools	4,385,000	100.00%	4,385,000
Hagerman Schools	735,000	100.00%	735,000
Lake Arthur Schools	4,140,000	100.00%	4,140,000
Eastern NM University Roswell	-	100.00%	-
NM Junior College	-	0.00%	-
		Subtotal, Overlapping Debt	<u>115,917,367</u>
		Total Direct and Overlapping Debt	<u>\$ 123,105,736</u>

Ratios:

Ratio of Total Direct & Overlapping Debt to 2015 Assessed Valuation:	10.37%
Ratio of Chaves County's Outstanding General Obligation Debt to 2015 Estimated Actual Valuation	3.46%
Per Capita Direct & Overlapping Debt:	\$ 1,897.85
Net Taxable Valuation:	\$ 1,186,798,659
Total Estimated Actual Valuation:	\$ 3,560,395,977
Total Population - Estimated:	64,866

Note: Percentage applicable to Chaves County is derived by taking the Valuation for the Entity within Chaves County divided by the total valuation of the entity for all counties it is a portion of.

Sources: Chaves County Financial Records
State of New Mexico, Dept. of Finance & Admin., Budget & Finance Bureau
State of New Mexico, Office of the State Auditor
Individual Financial Reports of Overlapping Entities for Debt Outstanding

**STATE OF NEW MEXICO
CHAVES COUNTY
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST 10 CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (millions)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Births</u>	<u>Deaths</u>	<u>School Enrollment</u>
2018	64,866	n/a	n/a	6.40%	860	695	11,850
2017	65,282	2,357	36,108	7.10%	890	684	11,865
2016	65,764	2,398	36,466	6.20%	931	614	11,823
2015	65,878	2,330	35,377	6.00%	913	645	11,993
2014	65,823	2,116	32,147	7.50%	936	677	11,827
2013	65,784	2,142	32,566	7.60%	948	612	11,771
2012	65,890	2,110	30,319	7.90%	929	670	11,491
2011	65,778	1,947	29,010	8.30%	986	612	11,389
2010	63,622	1,804	27,105	6.80%	1,042	628	11,114
2009	62,998	2,005	30,672	4.90%	1,074	607	11,300

Sources: The source of the "Population" information is: U.S. Census Bureau, Census of Populations Births and Deaths sources: New Mexico Health Department.

The source of the "Unemployment Rate " information is: U.S. Bureau of Labor Statistics, Labor force data by county, 2017 annual averages.

Per Capita Income and Personal Income number for 2018 has not yet been published. Other data received from Bureau of Economic Analysis.

School Enrollment was obtained through NM Public Education Department.

**STATE OF NEW MEXICO
CHAVES COUNTY
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Employer	Industry	2018			2009		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Roswell Independent School District	Education	1,030	1	4.04	750	1	2.95
Leprino Foods	Manufacturing	600	2	2.35	480	4	1.89
Eastern New Mexico Medical Center	Health Care	552	3	2.16	646	2	2.54
City of Roswell	Government	548	4	2.15	515	3	2.03
New Mexico Military Institute	Education/Gov.	323	5	1.27	267	6	1.05
Community Homecare	Health Care	287	6	1.12	-	-	-
Chaves County	Government	267	7	1.05	250	8	0.98
Eastern NM University - Roswell	Education	252	8	0.99	292	5	1.15
Albertson's	Commercial/Retail	248	9	0.97	-	-	-
Lovelace Regional Medical Center	Health Care	240	10	0.94	-	-	-
Tobosa Development	Health Care	227	11	0.89	-	-	-
Wal-Mart Super Center	Commercial/Retail	200	12	0.78	260	7	1.02
Krumland Auto Group	Commercial/Retail	200	13	0.78	-	-	-
Pionner Bank	Financial	187	14	0.73	-	-	-
Christmas by Krebs	Manufacturing	175	15	0.69	160	13	0.63
Dean Baldwin Painting	Aviation	150	16	0.59	120	14	0.47
Roswell Regional Hospital	Government	-	-	-	250	9	0.98
Impact Confections	Manufacturing	-	-	-	240	10	0.94
United Drilling	Oil and Gas	-	-	-	175	11	0.69
Armstrong Construction	Construction	-	-	-	175	12	0.69
Mission Arch Care	Health Care	-	-	-	120	15	0.47
Casa Maria Health Care Center	Health Care	-	-	-	120	16	0.47
Total		5,486		17.46	4,820		16.02
Total employment		25,517			25,402		

Source: The source of the information is from Chaves County Economic Development Center and BLS.gov

**STATE OF NEW MEXICO
CHAVES COUNTY
FULL-TIME-EQUIVALENT EMPLOYEES
BY COUNTY DEPARTMENT/DIVISION OR ELECTED OFFICE
LAST 10 FISCAL YEARS**

	Full-time Equivalent Employees as of June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	1	1	1	1	2
Human Resources	2	2	3	2	1
Safety	1	0	0	1	0
Fire & Emergency	0	0	1	0	0
General Services					
Public Works	2	2	2	4	3
Information Technology	3	3	3	3	3
Data Processing	0	0	0	0	0
Planning & Zoning	4	4	4	4	4
Purchasing	1	2	2	2	2
Finance					
Finance Admin	4	4	4	4	4
Community Development	2	2	2	2	3
Hospital Indigent Claims	2	2	2	2	2
Detention Facilities					
Detention Administration	8	10	10	10	10
Adult Detention	57	56	67	64	58
Juvenile CCJD	15	14	17	18	17
Facility Maintenance					
Facility Maintenance	8	9	8	9	9
Courthouse Maintenance	3	3	3	3	3
Record & Filing (Clerk)					
Clerk Administration	6	6	5	5	5
Clerk Bureau Election	3	3	4	3	3
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	7	7	7	7	7
Re-Appraisal Dept.	5	5	5	5	3
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	14	10	11	11	10
Sheriff Patroll & Investigations	23	27	30	29	29
Court Security	5	7	7	6	6
Other Funds/Departments					
Road Administration	5	4	3	3	4
Road Shop	7	7	6	7	7
Road Construction & Maintenance	29	30	34	31	33
DWI	1	1	3	2	2
Flood Control	11	11	11	10	9
Court Services	3	4	2	4	3
Total	<u>243</u>	<u>247</u>	<u>268</u>	<u>263</u>	<u>253</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
FULL-TIME-EQUIVALENT EMPLOYEES
BY COUNTY DEPARTMENT/DIVISION OR ELECTED OFFICE (CONTINUED)
LAST 10 FISCAL YEARS**

	Full-time Equivalent Employees as of June 30,				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	2	2	2	2	2
Human Resources	1	1	1	1	1
Safety	0	0	0	0	0
Fire & Emergency	1	1	1	1	1
General Services					
Public Works	3	3	2	2	2
Information Technology	3	3	3	3	2
Data Processing	0	0	1	1	2
Planning & Zoning	4	4	3	4	2
Purchasing	2	2	2	1	1
Finance					
Finance	4	4	4	5	5
Community Development	2	3	3	3	3
Hospital Indigent Claims	2	4	4	4	4
Detention Facilities					
Detention Administration	8	8	8	6	9
Adult Detention	59	57	49	50	49
Juvenile CCJD	18	17	19	18	16
Facility Maintenance					
Facility Maintenance	10	11	12	10	9
Courthouse Maintenance	3	3	3	3	2
Record & Filing (Clerk)					
Clerk Administration	6	4	5	5	5
Clerk Bureau Election	3	4	4	4	4
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	7	6	7	7	7
Re-Appraisal Dept.	4	4	5	5	5
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	11	12	12	12	11
Sheriff Patroll & Investigations	32	30	30	34	30
Court Security	6	7	7	6	8
Other Funds/Departments					
Road Administration	4	3	3	4	4
Road Shop	6	7	7	6	7
Road Construction & Maintenance	30	30	34	34	33
DWI	2	2	2	2	2
Flood Control	9	9	9	9	8
Court Services	4	5	7	7	6
Total	<u>257</u>	<u>257</u>	<u>260</u>	<u>260</u>	<u>251</u>

Source: The source of this information is from the County's financial records.

STATE OF NEW MEXICO
CHAVES COUNTY
CAPITAL ASSETS INFORMATION
LAST 10 FISCAL YEARS

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Function/Program										
General Gov't										
Buildings	3	2	2	2	2	2	2	2	2	2
Building Sites	24	24	24	26	24	24	24	23	23	23
Right of Way	7	7	3	3	3	3	3	3	3	3
Recreation	10	10	10	10	10	10	10	10	10	10
Admin										
Parking	4	4	4	4	4	4	4	4	4	3
Vehicles	132	136	142	134	140	128	118	109	101	93
Equipment	29	29	30	30	33	33	30	30	29	25
Other	99	106	112	137	183	178	174	170	167	165
Clerk Recording & Filing										
Vehicles	1	1	1	1	1	1	1	1	1	1
Equipment	4	4	4	4	4	1	1	1	1	1
Other	3	3	2	2	1	1	1	1	1	1
Courthouse										
Parking	1	1	1	1	1	1	1	1	1	1
Other	1	1	1	1	1	1	1	1	1	1
DWI										
Vehicles	1	1	1	1	1					
Other	3	3	3	2	2	2	1	1	1	1
Fire Departments										
Stations	16	16	15	14	14	14	14	14	14	14
Vehicles	58	58	45	44	43	40	38	36	34	30
Pumpers	27	28	22	22	20	19	18	18	17	15
Tankers	17	15	13	13	12	11	9	8	8	7
Equipment	5	5	6	6	6	6	6	6	5	5
Other	28	32	29	27	14	11	9	9	8	6

STATE OF NEW MEXICO
CHAVES COUNTY
CAPITAL ASSETS INFORMATION (CONTINUED)
LAST 10 FISCAL YEARS

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Flood Department										
Vehicles	33	33	35	34	33	31	29	28	26	22
Other	5	5	5	4	4	4	4	4	4	4
Law Enforcement										
Other	2	2	2	2	2	2	2	2	2	2
Other Grants & Contract										
Vehicles	3	3	3	3	3	3	3	3	1	1
Equipment	1	1	1	1	1					
Other	6	6	3	3	3	1	1	1	1	1
Property Valuation										
Vehicles	5	5	5	5	5	5	5	5	5	5
Road Dept.										
Buildings	4	4	4	4	4	4	4	4	4	4
Bridges	22	22	22	22	22	22	22	22	22	22
Vehicles	137	137	135	141	132	125	121	118	116	112
Equipment	1	1	1	5	1	1	1	1	1	1
Other	25	25	23	3	15	13	10	10	10	9

Source: The source of this information is the County's records.

STATE OF NEW MEXICO
CHAVES COUNTY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST 10 FISCAL YEARS

Function/Program	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Public Works (4)										
Street Resurfacing (miles) (1)	29	63	81	64	69	41	43	62	54	69
Traffic Sign (2)	437	465	449	2,903	772	1,135	1,023	1,454	1,915	1,508
Streets (miles)	1,423	1,400	1,409	1,407	1,407	1,413	1,419	1,426	1,418	1,441
Streetlights (3)	42	33	33	33	33	33	33	33	33	33
Law Enforcement										
Traffic Citations	1,698	1,889	2,095	1,598	934	1,162	1,078	1,184	1,529	1,580
911 Calls Answered (5) (6)	46,251	52,049	58,912	86,555	79,261	76,595	75,843	74,665	71,737	70,564
Zoning, Building, and Planning										
Residential Building Permits	52	18	18	11	12	14	29	11	9	33
Commercial Building Permits	5	13	5	2	4	2	3	4	0	1
Detention Center										
Total Bookings	4,206	4,643	4,668	4,754	4,543	4,705	4,674	4,879	4,311	4,287
Fire Departments										
Number of Calls Answered	633	414	313	311	407	303	548	331	441	438

Source: Various County departments.

Notes: 1. Miles of chip sealed roads. Chaves County does not have any streets.

2. This is the number of signs repaired or replaced annually.

3. This is the total certified mileage for Chaves County and includes, paved roads, chip sealed roads and dirt/gravel roads.

4. Only the Road Department and Detention Center reports their information by fiscal year (June 30th).

The rest of the departments are on calendar year.

5. Data exclude scalls made for traffic stops and alarms.

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S 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*

County Commissioners of
Chaves County
Roswell, New Mexico and
Mr. Wayne Johnson
New Mexico State Auditor
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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, the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds of Chaves County (the County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents and have issued our report thereon dated November 30, 2018.

Internal Control Over Financial Reporting

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

County Commissioners of
Chaves County and
Mr. Wayne Johnson
New Mexico State Auditor

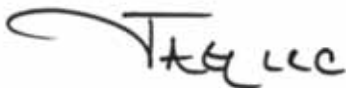
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 30, 2018

**STATE OF NEW MEXICO
CHAVES COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

2017-001	CASH RECONCILIATIONS – OTHER MATTER	RESOLVED
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**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

NONE

**STATE OF NEW MEXICO
CHAVES COUNTY
EXIT CONFERENCE
JUNE 30, 2018**

The contents of this report were discussed, in a closed session, on November 28, 2018. The following individuals were in attendance:

Chaves County

Robert Corn, Commissioner
Calder Ezzell, Commissioner
Stanton L. Riggs, County Manager
Mark Willard, County Assessor
Charlotte Andrade, County Treasurer
Joe Sedillo, CFO
Anabel Barraza, Assistant Finance Director
William B. Williams, Public Services Director

Jaramillo Accounting Group LLC (JAG)

Audrey J. Jaramillo, CPA, CFE, Managing Partner

Jaramillo Accounting Group LLC (JAG) assisted in the preparation of the financial statements presented in this report. The County's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.