



State of New Mexico

Doña Ana County

*Financial Statements
and
Independent Auditor's Report
June 30, 2017*

REDW^{LLC}
CPAs | Business & Financial Advisors

State of New Mexico

Dona Ana County

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State of New Mexico Dona Ana County

Official Roster
June 30, 2017

COUNTY COMMISSION

Billy G. Garrett	Commissioner – District 1
Ramon Gonzalez	Commissioner – District 2
Benjamin L. Rawson	Commissioner – District 3
Isabella Solis	Chair, Commissioner – District 4
John L. Vasquez	Vice-Chair, Commissioner – District 5

ADMINISTRATIVE OFFICIALS

Chuck McMahon	Interim County Manager
Eric L. Rodriguez	County Treasurer
Scott A. Krahlung	County Clerk
Andy Segovia	County Assessor
Diana Bustamante	County Probate Judge
Enrique “Kiki” Vigil	County Sheriff

Independent Auditor's Report

Mr. Wayne Johnson, New Mexico State Auditor
and
To the Honorable Members of the Board of County Commissioners
Doña Ana County, New Mexico

Report on the Financial Statement

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Doña Ana County, New Mexico (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements as listed in the table of contents.

Management's Responsibility

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 responsibility 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended 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, Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of County Contributions, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other supplemental schedules including the combining and individual fund financial statements and schedules and the other supplementary information required by 2.2.2 NMAC, as listed in the

table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards, combining individual fund financial statements and schedules and other supplementary information required by section 2.2.2 NMAC, as listed 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the combining and individual fund financial statements and schedules and the other supplementary information required by 2.2.2 NMAC, as listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017, 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.

REDW LLC

Phoenix, Arizona
December 1, 2017

State of New Mexico
Doña Ana County
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Doña Ana County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with Doña Ana County's financial statements, as identified in the table of contents.

FINANCIAL HIGHLIGHTS

- ◆ The County completed fiscal year 2017 with \$328.8 million in total assets and deferred outflows of resources; this is an increase of 7% increase when compared to the \$306.9 million in fiscal year 2016. Total liabilities and deferred inflows of resources increased by 32% or \$27.3 million to \$113.7 million; while total net position decreased 2% percent or \$5.4 million to complete the fiscal year at \$215 million.
- ◆ Net position for governmental activities decreased 3% or \$4.9 million to end the fiscal year at \$178.6 million; while business-type activities slightly decreased by \$501,000 to end the fiscal year at \$36.6 million. Overall revenues slightly increased by 2% to \$129.6 million and expenses also increased by roughly 12% to \$1.35 million.
- ◆ The County's financial analysis of its governmental funds indicates an increase in total assets of \$5.9 million or 7% to \$87.9 million; total liabilities decreased by \$300 thousand or 6%, while total fund balance increased by \$4 million or 6%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements are comprised of 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 financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* consist of two statements and 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 and liabilities, with the difference between the two reported as net position.
- ◆ The *Statement of Activities* presents information showing how the County's net position changed during the 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 and unused vacation leave).

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Management's Discussion and Analysis
For the Year Ended June 30, 2017

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include General Government, Public Safety, Public Works, Health and Welfare, Education, Sanitation, and Community Development. The business-type activities of the County include Wastewater and other utility services.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of 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 and outflows of spendable resources, as well as 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 government'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 reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

Proprietary Funds

The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to various Water and Wastewater Utilities, as well as other utility operations. An internal service fund is utilized to purchase fleet vehicles for other funds and to charge costs of fleet maintenance to individual funds.

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Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information. This includes required schedules for the County's participating in the Public Employees Retirement Association (PERA) defined benefit pension plan.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented in the supplementary information section of this report.

Condensed Statement of Net Position
As of June 30,

	Governmental Activities		Business-Type Activities		Primary Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current assets	\$ 88,412,554	\$ 81,282,731	\$ 1,506,078	\$ 1,223,847	\$ 89,918,632	\$ 82,506,578
Noncurrent assets	<u>173,622,325</u>	177,004,362	<u>38,894,265</u>	39,867,223	<u>212,516,590</u>	216,871,585
Total assets	<u>262,034,879</u>	258,287,093	<u>40,400,343</u>	41,091,070	<u>302,435,222</u>	299,378,163
Deferred outflows of resources	<u>26,413,442</u>	7,513,195	-	-	<u>26,413,442</u>	7,513,195
Total assets and deferred outflows of resources	<u>\$ 288,448,321</u>	<u>\$ 265,800,288</u>	<u>\$ 40,400,343</u>	<u>\$ 41,091,070</u>	<u>\$ 328,848,664</u>	<u>\$ 306,891,358</u>
Liabilities						
Current liabilities	\$ 6,512,650	\$ 5,655,905	\$ 367,514	\$ 403,310	\$ 6,880,164	\$ 6,059,215
Noncurrent liabilities	<u>98,140,680</u>	72,642,108	<u>3,468,060</u>	3,622,131	<u>101,608,740</u>	76,264,239
Total liabilities	<u>104,653,330</u>	78,298,013	<u>3,835,574</u>	4,025,441	<u>108,488,904</u>	82,323,454
Deferred inflows of resources	<u>5,165,616</u>	3,983,739	-	-	<u>5,165,616</u>	3,983,739
Net Position						
Net investment in capital assets	151,190,606	152,744,193	35,270,533	36,089,015	186,461,139	188,833,208
Restricted for						
Other purposes	33,136,583	31,031,800	-	-	33,136,583	31,031,800
Unrestricted (deficit)	<u>(5,697,814)</u>	(257,457)	<u>1,294,236</u>	976,614	<u>(4,403,578)</u>	719,157
Total net position	<u>178,629,375</u>	183,518,536	<u>36,564,769</u>	37,065,629	<u>215,194,144</u>	220,584,165
Total liabilities, deferred inflows of resources and net position	<u>\$ 288,448,321</u>	<u>\$ 265,800,288</u>	<u>\$ 40,400,343</u>	<u>\$ 41,091,070</u>	<u>\$ 328,848,664</u>	<u>\$ 306,891,358</u>

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The largest portion of the County's net position reflects its net investment in capital assets (i.e., land, land improvements, buildings, equipment, and utility infrastructure); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the repayment of this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Activities
For the Year Ended June 30,

	Governmental Activities		Business-Type Activities		Primary Government	
	2017	2016	2017	2016	2017	2016
Program revenues						
Charges for services	\$ 16,411,008	\$ 15,681,072	\$ 1,154,885	\$ 1,123,195	\$ 17,565,893	\$ 16,804,267
Operating grants and contributions	6,142,529	5,536,908	721,644	1,340,602	6,864,173	6,877,510
Capital grants and contributions	3,260,365	7,120,749	-	-	3,260,365	7,120,749
General revenues						
Taxes, penalties and interest	94,384,362	91,881,357	-	-	94,384,362	91,881,357
Investment income	547,422	1,580,217	9,101	5,325	556,523	1,585,542
Other revenue	6,834,992	2,553,513	114,993	81,803	6,949,985	2,635,316
Total revenues	<u>127,580,678</u>	<u>124,353,816</u>	<u>2,000,623</u>	<u>2,550,925</u>	<u>129,581,301</u>	<u>126,904,741</u>
Expenses						
General government	38,357,439	32,041,592	-	-	38,357,439	32,041,592
Public safety	57,402,829	50,676,410	-	-	57,402,829	50,676,410
Public works	19,833,982	19,308,691	-	-	19,833,982	19,308,691
Health and welfare	10,502,988	10,084,846	-	-	10,502,988	10,084,846
Education	2,037,408	2,018,165	-	-	2,037,408	2,018,165
Sanitation	83,278	7,057	-	-	83,278	7,057
Community development	2,506,499	2,181,168	-	-	2,506,499	2,181,168
Wastewater service	-	-	3,049,527	3,139,412	3,049,527	3,139,412
Other utility services	-	-	289,209	160,494	289,209	160,494
Interest	847,090	1,070,001	57,879	60,697	904,969	1,130,698
Fiscal agent fees	3,194	5,836	-	-	3,194	5,836
Total expenses	<u>131,574,707</u>	<u>117,393,766</u>	<u>3,396,615</u>	<u>3,360,603</u>	<u>134,971,322</u>	<u>120,754,369</u>
Increase in net position before transfers	(3,994,029)	6,960,050	(1,395,992)	(809,678)	(5,390,021)	6,150,372
Transfers	(895,132)	112,624	895,132	788,195	-	900,819
Change in net position	(4,889,161)	7,072,674	(500,860)	(21,483)	(5,390,021)	7,051,191
Net position—beginning of year	183,518,536	175,471,324	37,065,629	37,087,112	220,584,165	212,558,436
Restatement of net position	-	974,538	-	-	-	974,538
Net position—beginning of year (as restated)	<u>183,518,536</u>	<u>176,445,862</u>	<u>37,065,629</u>	<u>37,087,112</u>	<u>220,584,165</u>	<u>213,532,974</u>
Net position—ending of year	<u>\$ 178,629,375</u>	<u>\$ 183,518,536</u>	<u>\$ 36,564,769</u>	<u>\$ 37,065,629</u>	<u>\$ 215,194,144</u>	<u>\$ 220,584,165</u>

Governmental Activities

Governmental activities net position decreased by \$4.9 million to \$178.6 million at June 30, 2017.

Business-Type Activities

Net position of business-type activities decreased slightly by \$501,000 to \$36.6 million at June 30, 2017. There were no significant changes to the types of services provided by the County's enterprise funds during fiscal year 2017.

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Doña Ana County
Management's Discussion and Analysis
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FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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.

	General Fund		Fire Districts		County Flood Commission		Spaceport Gross Receipts	
	2017	2016	2017	2016	2017	2016	2017	2016
Assets								
Cash and investments	\$ 37,562,759	\$ 35,067,691	\$ 9,374,574	\$ 9,304,139	\$ 9,516,142	\$ 9,047,942	\$ -	\$ -
Receivables, net	9,678,998	9,159,477	338,142	285,725	268,864	256,605	388,769	288,139
Due from other funds	12,598	1,053,128	-	-	-	-	-	-
Inventory	7,521	8,642	-	-	-	-	-	-
Total assets	<u>\$ 47,261,876</u>	<u>\$ 45,288,938</u>	<u>\$ 9,712,716</u>	<u>\$ 9,589,864</u>	<u>\$ 9,785,006</u>	<u>\$ 9,304,547</u>	<u>\$ 388,769</u>	<u>\$ 288,139</u>
Liabilities and Fund Balance								
Liabilities								
Accounts payable and accrued payroll liabilities	\$ 3,216,575	\$ 2,299,781	\$ 120,646	\$ 74,951	\$ 29,996	\$ 13,435	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Deferred inflow's of resources	4,406,020	4,038,688	242,540	114,631	239,435	224,283	-	-
Total liabilities and deferred inflows of resources	<u>7,622,595</u>	<u>6,338,469</u>	<u>363,186</u>	<u>189,582</u>	<u>269,431</u>	<u>237,718</u>	<u>-</u>	<u>-</u>
Fund balance								
Nonspendable	7,521	8,642	-	-	-	-	-	-
Restricted	413,562	399,491	9,349,530	9,400,282	9,515,575	9,066,829	388,769	288,139
Committed	3,487,829	3,380,952	-	-	-	-	-	-
Assigned	5,412,389	5,514,225	-	-	-	-	-	-
Unassigned (deficit)	30,317,980	29,647,159	-	-	-	-	-	-
Total fund balance	<u>39,639,281</u>	<u>38,950,469</u>	<u>9,349,530</u>	<u>9,400,282</u>	<u>9,515,575</u>	<u>9,066,829</u>	<u>388,769</u>	<u>288,139</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 47,261,876</u>	<u>\$ 45,288,938</u>	<u>\$ 9,712,716</u>	<u>\$ 9,589,864</u>	<u>\$ 9,785,006</u>	<u>\$ 9,304,547</u>	<u>\$ 388,769</u>	<u>\$ 288,139</u>

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Management's Discussion and Analysis
For the Year Ended June 30, 2017

Governmental Funds — continued

	State Appropriations		Nonmajor Governmental Funds		Total Governmental Funds	
	2017	2016	2017	2016	2017	2016
Assets						
Cash and investments	\$ 996,697	\$ -	\$ 15,692,261	\$ 12,973,578	\$ 73,142,433	\$ 66,393,350
Receivables, net	891,433	1,294,216	3,160,018	3,182,621	14,726,224	14,466,783
Due from other funds	-	-	-	-	12,598	1,053,128
Inventory	-	-	-	-	7,521	8,642
Total assets	<u>\$ 1,888,130</u>	<u>\$ 1,294,216</u>	<u>\$ 18,852,279</u>	<u>\$ 16,156,199</u>	<u>\$ 87,888,776</u>	<u>\$ 81,921,903</u>
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued payroll liabilities	\$ 76,527	\$ 506,941	\$ 1,081,243	\$ 887,953	\$ 4,524,987	\$ 3,783,061
Due to other funds	-	674,292	12,598	378,836	12,598	1,053,128
Deferred inflow's of resources	1,800,000	30,000	198,386	276,009	6,886,381	4,683,611
Total liabilities and deferred inflows of resources	<u>1,876,527</u>	<u>1,211,233</u>	<u>1,292,227</u>	<u>1,542,798</u>	<u>11,423,966</u>	<u>9,519,800</u>
Fund balance						
Nonspendable	-	-	-	-	7,521	8,642
Restricted	11,603	82,983	13,457,544	11,794,076	33,136,583	31,031,800
Committed	-	-	3,955,636	2,903,695	7,443,465	6,284,647
Assigned	-	-	146,872	-	5,559,261	5,514,225
Unassigned (deficit)	-	-	-	(84,370)	30,317,980	29,562,789
Total fund balance	<u>11,603</u>	<u>82,983</u>	<u>17,560,052</u>	<u>14,613,401</u>	<u>76,464,810</u>	<u>72,402,103</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,888,130</u>	<u>\$ 1,294,216</u>	<u>\$ 18,852,279</u>	<u>\$ 16,156,199</u>	<u>\$ 87,888,776</u>	<u>\$ 81,921,903</u>

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Management's Discussion and Analysis
For the Year Ended June 30, 2017

As of the end of fiscal year 2017, the County's governmental funds reported combined ending fund balances of \$76.5 million, an increase of \$4 million in comparison with the prior year. The general fund ending fund balance at the end of fiscal year 2017, is reported at \$39.6 million, which is an increase of \$700 thousand.

	General Fund		Fire Districts		County Flood Commission		Spaceport Gross Receipts	
	2017	2016	2017	2016	2017	2016	2017	2016
Operating								
Total revenue	\$ 90,602,734	\$ 90,722,117	\$ 3,491,810	\$ 3,396,349	\$ 2,385,286	\$ 2,370,850	\$ 2,138,038	\$ 2,017,065
Total expenditures	(86,841,295)	(81,707,546)	(3,542,562)	(2,489,004)	(1,936,540)	(2,321,307)	(2,037,408)	(2,070,852)
Other								
Transfers in	5,934,535	39,449,571	-	1,501,099	-	-	-	-
Transfers out	(9,007,162)	(42,054,216)	-	(1,501,099)	-	-	-	-
Total other	(3,072,627)	(2,604,645)	-	-	-	-	-	-
Net changes in fund balance	688,812	6,409,926	(50,752)	907,345	448,746	49,543	100,630	(53,787)
Fund balance, beginning of year	38,950,469	32,540,543	9,400,282	8,492,937	9,066,829	9,017,286	288,139	(632,612)
Restatement	-	-	-	-	-	-	-	974,538
Fund balance, beginning of year, (as restated)	38,950,469	32,540,543	9,400,282	8,492,937	9,066,829	9,017,286	288,139	341,926
Fund balance, end of year	\$ 39,639,281	\$ 38,950,469	\$ 9,349,530	\$ 9,400,282	\$ 9,515,575	\$ 9,066,829	\$ 388,769	\$ 288,139

State of New Mexico
Doña Ana County
Management's Discussion and Analysis
For the Year Ended June 30, 2017

	State Appropriations		Nonmajor Governmental Funds		Total Governmental Funds	
	2017	2016	2017	2016	2017	2016
Operating						
Total revenue	\$ 2,402,670	\$ 4,626,729	\$ 23,671,361	\$ 21,025,567	\$ 124,691,899	\$ 124,158,677
Total expenditures	(2,474,050)	(4,906,741)	(21,991,683)	(25,907,571)	(118,823,538)	(119,403,021)
Other						
Transfers in	-	-	5,808,033	7,208,607	11,742,568	48,159,277
Transfers out	-	(340,000)	(4,541,060)	(7,700,543)	(13,548,222)	(51,595,858)
Total other	-	(340,000)	1,266,973	(491,936)	(1,805,654)	(3,436,581)
Net changes in fund balance	(71,380)	(620,012)	2,946,651	(5,373,940)	4,062,707	1,319,075
Fund balance, beginning of year	82,983	702,995	14,613,401	19,987,341	72,402,103	70,108,490
Restatement	-	-	-	-	-	974,538
Fund balance, beginning of year, (as restated)	82,983	702,995	14,613,401	19,987,341	72,402,103	71,083,028
Fund balance, end of year	\$ 11,603	\$ 82,983	\$ 17,560,052	\$ 14,613,401	\$ 76,464,810	\$ 72,402,103

State of New Mexico
Doña Ana County
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are enterprise funds, which include Water and Wastewater Systems. The County's Internal Service Fund is also included as a proprietary fund; however, it is considered part of governmental activities for the government-wide financial statements. Total net position of proprietary funds at the end of the year amounted to \$36.6 million, and \$2.9 million in the Internal Service Fund.

	<u>Chaparral Wastewater System</u>		<u>South Central Wastewater</u>		<u>Nonmajor Enterprise Funds</u>	
	<u>2017</u>	2016	<u>2017</u>	2016	<u>2017</u>	2016
Total operating revenues	\$ 127,370	\$ 146,944	\$ 842,238	\$ 808,697	\$ 300,270	\$ 249,357
Total operating expenditures	<u>(577,313)</u>	(589,076)	<u>(1,735,547)</u>	(1,844,507)	<u>(1,025,876)</u>	(866,323)
Operating loss	(449,943)	(442,132)	(893,309)	(1,035,810)	(725,606)	(616,966)
Nonoperating revenue (expenses)	<u>688,894</u>	99,157	<u>30,099</u>	1,234,925	<u>(46,127)</u>	(48,852)
Income (loss) before transfers	238,951	(342,975)	(863,210)	199,115	(771,733)	(665,818)
Transfers in (out), net	<u>81,571</u>	31,571	<u>510,721</u>	437,344	<u>302,840</u>	319,280
Change in net position	320,522	(311,404)	(352,489)	636,459	(468,893)	(346,538)
Net position—beginning of year	6,684,045	6,995,449	19,253,040	18,616,581	11,128,544	11,475,082
Restatement of net position (Note 15)	<u>-</u>	-	<u>(434,837)</u>	-	<u>434,837</u>	-
Net position—beginning of year (as restated)	<u>6,684,045</u>	6,995,449	<u>18,818,203</u>	18,616,581	<u>11,563,381</u>	11,475,082
Net position, end of year	<u>\$ 7,004,567</u>	<u>\$ 6,684,045</u>	<u>\$ 18,465,714</u>	<u>\$ 19,253,040</u>	<u>\$ 11,094,488</u>	<u>\$ 11,128,544</u>

State of New Mexico
Doña Ana County
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Proprietary Funds — continued

	Total Enterprise Funds		Internal Service Fund	
	2017	2016	2017	2016
Total operating revenues	\$ 1,269,878	\$ 1,204,998	\$ 1,556,067	\$ 1,806,722
Total operating expenditures	(3,338,736)	(3,299,906)	(2,868,475)	(2,756,893)
Operating loss	(2,068,858)	(2,094,908)	(1,312,408)	(950,171)
Nonoperating revenue (expenses)	672,866	1,285,230	-	-
Income (loss) before transfers	(1,395,992)	(809,678)	(1,312,408)	(950,171)
Transfers in (out), net	895,132	788,195	910,522	3,549,205
Change in net position	(500,860)	(21,483)	(401,886)	2,599,034
Net position—beginning of year	37,065,629	37,087,112	6,417,394	3,818,360
Restatement of net position (Note 15)	-	-	(3,082,352)	-
Net position—beginning of year (as restated)	37,065,629	37,087,112	3,335,042	3,818,360
Net position, end of year	\$ 36,564,769	\$ 37,065,629	\$ 2,933,156	\$ 6,417,394

State of New Mexico
Doña Ana County
Management's Discussion and Analysis
For the Year Ended June 30, 2017

GENERAL FUND BUDGETARY ANALYSIS

- ◆ The General Fund revenue budget increased \$1,823,996 from \$89,625,251 to a final budget of \$91,449,247.
- ◆ The County's General Fund actual revenues at fiscal year-end totaled \$90,601,850 versus a budget of \$91,449,247 and were under budget by \$847,397.
- ◆ The General Fund expenditure budget increased approximately \$1,204,327 from \$88,953,893 to a final budget of \$90,158,220.
- ◆ The County's General Fund expenditure budget at fiscal year-end totaled \$90,158,153 while actual expenditures totaled \$82,354,426 or \$7,803,794 under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Major capital asset projects completed this fiscal year include:

- ◆ Fire Marshal's Office Remodel
- ◆ Berino Flood Control
- ◆ Chaparral Wastewater System Phase 3A

Road projects completed this fiscal year include:

- ◆ La Mancha Road
- ◆ Baylor Canyon Road
- ◆ Dripping Springs/Soledad Canyon Roads
- ◆ Raasaf Circle
- ◆ Aberdeen Angus Way

Business-Type Activity projects completed this fiscal year include:

- ◆ Montana Vista Wastewater System 2
- ◆ Chaparral Wastewater System Phase 1C

Long-Term Debt

The County's outstanding notes and bonded debt decreased by \$2 million or 7% during fiscal year 2017. Notes payable decreased by \$0.3 million or 6%. Bonded debt decreased by \$1.7 million or 7% during the fiscal year.

State of New Mexico
Doña Ana County
Management's Discussion and Analysis
For the Year Ended June 30, 2017

At the end of fiscal year 2017, the County had total long-term debt outstanding to various agencies of \$25.7 million, as show below.

Economic Outlook

Doña Ana County's unemployment rate remains high, but saw a decrease from 7.7% at fiscal year-end 2016 to 7.4% at fiscal year-end 2017. The County's unemployment rate is still higher than statewide unemployment, but from 2016 to 2017, the County saw an identical decrease as the State. The County's unemployment rate fell by .3% while the States fell by .3% from 6.7% in June 2016 to 6.4% in June 2017.

There are two new tenants in the West Park development in the Santa Teresa Border Industrial Complex, FedEx Ground and Valley Cold Storage & Transportation, expanding their operations. FedEx Ground is expecting to hire 45 new full and part-time positions and Valley Cold Storage & Transportation is expecting to hire up to 14 positions. The Mountain View Regional Medical Center Emergency Center is under construction in Las Cruces in Doña Ana County. The facility will create approximately 30 new positions when construction is completed and the facility is opened. Despite these expected new positions, New Mexico State University will be implementing cuts due to lack of budget. More than 90 vacant faculty and staff positions will not be filled, 12 graduate assistant's positions will be cut back, and two employees will be laid off as of August 1st, 2017.

In 2009, the County adopted the Local Economic Development Act (LEDA), which is to provide "public support for economic development to foster, promote and enhance local economic development efforts..." The adoption of LEDA established the Doña Ana County Economic Development Plan that promotes economic development within the County. During the year the County entered into one intergovernmental agreement for \$1,800,000 with the New Mexico Economic Development Department to act as fiscal agent for appropriations supporting the Economic Development Project. The project is expected to create approximately 200 new jobs by June 30th, 2020. The County anticipates additional Economic Development Projects in the future.

REQUEST FOR INFORMATION

The financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional information, contact the County's Financial Services Director, 845 N Motel Blvd., Las Cruces, New Mexico, 88007.

Financial Statements

State of New Mexico
Doña Ana County
Statement of Net Position
June 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash, cash equivalents and investments	\$ 73,552,769	\$ 1,360,040	\$ 74,912,809
Accounts receivables, net	1,881,493	146,038	2,027,531
Taxes receivables, net	10,929,225	-	10,929,225
Intergovernmental receivables	1,698,454	-	1,698,454
Interest and other receivables	217,052	-	217,052
Inventory	133,561	-	133,561
Total current assets	<u>88,412,554</u>	<u>1,506,078</u>	<u>89,918,632</u>
Noncurrent assets			
Land and construction in progress	16,307,751	1,279,594	17,587,345
Depreciable capital assets, net of accumulated depreciation	157,314,574	37,614,671	194,929,245
Total noncurrent assets	<u>173,622,325</u>	<u>38,894,265</u>	<u>212,516,590</u>
Total assets	<u>262,034,879</u>	<u>40,400,343</u>	<u>302,435,222</u>
Deferred Outflows of Resources			
Pension deferral	26,413,442	-	26,413,442
Total deferral outflows of resources	<u>26,413,442</u>	<u>-</u>	<u>26,413,442</u>
Total assets and deferred outflows of resources	<u>\$ 288,448,321</u>	<u>\$ 40,400,343</u>	<u>\$ 328,848,664</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 2,060,396	\$ 17,631	\$ 2,078,027
Accrued payroll liabilities	2,329,055	16,888	2,345,943
Accrued interest payable	219,216	25,416	244,632
Other liabilities	15,283	59,571	74,854
Bonds and notes payable, current portion	1,888,700	248,008	2,136,708
Total current liabilities	<u>6,512,650</u>	<u>367,514</u>	<u>6,880,164</u>
Noncurrent liabilities			
Compensated absences	5,118,807	92,336	5,211,143
Bonds and notes payable, net of current portion	20,543,019	3,375,724	23,918,743
Net pension liability	72,478,854	-	72,478,854
Total noncurrent liabilities	<u>98,140,680</u>	<u>3,468,060</u>	<u>101,608,740</u>
Total liabilities	<u>104,653,330</u>	<u>3,835,574</u>	<u>108,488,904</u>
Deferred Inflows of Resources			
Nonexchange transactions	3,272,046	-	3,272,046
Pension deferral	1,893,570	-	1,893,570
Total deferred inflows of resources	<u>5,165,616</u>	<u>-</u>	<u>5,165,616</u>
Net Position			
Net investment in capital assets	151,190,606	35,270,533	186,461,139
Restricted	33,136,583	-	33,136,583
Unrestricted (deficit)	(5,697,814)	1,294,236	(4,403,578)
Total net position	<u>178,629,375</u>	<u>36,564,769</u>	<u>215,194,144</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 288,448,321</u>	<u>\$ 40,400,343</u>	<u>\$ 328,848,664</u>

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

State of New Mexico
Doña Ana County
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Program Revenues				Net (Expenses), Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating		Program Revenues		
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 38,357,439	\$ 6,485,062	\$ 115,823	\$ 1,443,481	\$ (30,313,073)	\$ -	\$ (30,313,073)
Public safety	57,402,829	9,450,367	3,655,416	77,770	(44,219,276)	-	(44,219,276)
Public works	19,833,982	475,579	533,616	840,942	(17,983,845)	-	(17,983,845)
Health and welfare	10,502,988	-	1,523,907	898,172	(8,080,909)	-	(8,080,909)
Education	2,037,408	-	-	-	(2,037,408)	-	(2,037,408)
Sanitation	83,278	-	-	-	(83,278)	-	(83,278)
Community development	2,506,499	-	313,767	-	(2,192,732)	-	(2,192,732)
Interest	847,090	-	-	-	(847,090)	-	(847,090)
Fiscal agent fees	3,194	-	-	-	(3,194)	-	(3,194)
Total governmental activities	<u>131,574,707</u>	<u>16,411,008</u>	<u>6,142,529</u>	<u>3,260,365</u>	<u>(105,760,805)</u>	<u>-</u>	<u>(105,760,805)</u>
Business-type activities							
Wastewater service	3,049,527	1,154,885	721,644	-	-	(1,172,998)	(1,172,998)
Other utility services	289,209	-	-	-	-	(289,209)	(289,209)
Interest	57,879	-	-	-	-	(57,879)	(57,879)
Total business-type activities	<u>3,396,615</u>	<u>1,154,885</u>	<u>721,644</u>	<u>-</u>	<u>-</u>	<u>(1,520,086)</u>	<u>(1,520,086)</u>
Total primary government	<u>\$ 134,971,322</u>	<u>\$ 17,565,893</u>	<u>\$ 6,864,173</u>	<u>\$ 3,260,365</u>	<u>(105,760,805)</u>	<u>(1,520,086)</u>	<u>(107,280,891)</u>
General revenues							
Taxes							
Property taxes, levied for general purposes					44,285,355	-	44,285,355
State shared taxes and fees					45,443,741	-	45,443,741
Payments in lieu of taxes					3,130,852	-	3,130,852
Licenses and permits					686,482	-	686,482
Penalties and interest					1,524,414	-	1,524,414
Investment earnings					547,422	9,101	556,523
Other					6,148,510	114,993	6,263,503
Operating transfers, net					(895,132)	895,132	-
Total general revenues and transfers					<u>100,871,644</u>	<u>1,019,226</u>	<u>101,890,870</u>
Change in net position					<u>(4,889,161)</u>	<u>(500,860)</u>	<u>(5,390,021)</u>
Net position—beginning					<u>183,518,536</u>	<u>37,065,629</u>	<u>220,584,165</u>
Net position—ending					<u>\$ 178,629,375</u>	<u>\$ 36,564,769</u>	<u>\$ 215,194,144</u>

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

Governmental Funds

State of New Mexico
Doña Ana County
Balance Sheet—Governmental Funds
June 30, 2017

	Special Revenue Fund					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Fire Districts	25135 County Flood Commission	25160 Spaceport Gross Receipts	23111 State Appropriations		
Assets							
Cash, cash equivalents and investments	\$ 37,562,759	\$ 9,374,574	\$ 9,516,142	\$ -	\$ 996,697	\$ 15,692,261	\$ 73,142,433
Receivables, net							
Accounts	1,605,679	56,267	-	-	-	219,547	1,881,493
Taxes	7,891,951	277,635	264,701	388,769	-	2,106,169	10,929,225
Intergovernmental	-	-	-	-	890,711	807,743	1,698,454
Interest and other	181,368	4,240	4,163	-	722	26,559	217,052
Due from other funds	12,598	-	-	-	-	-	12,598
Inventory	7,521	-	-	-	-	-	7,521
Total assets	<u>\$ 47,261,876</u>	<u>\$ 9,712,716</u>	<u>\$ 9,785,006</u>	<u>\$ 388,769</u>	<u>\$ 1,888,130</u>	<u>\$ 18,852,279</u>	<u>\$ 87,888,776</u>
Liabilities							
Accounts payable	\$ 943,686	\$ 120,646	\$ 18,528	\$ -	\$ 76,527	\$ 811,333	\$ 1,970,720
Accrued payroll liabilities	2,253,556	-	11,468	-	-	54,744	2,319,768
Accrued interest payable	4,050	-	-	-	-	215,166	219,216
Due to other funds	-	-	-	-	-	12,598	12,598
Other liabilities	15,283	-	-	-	-	-	15,283
Total liabilities	<u>3,216,575</u>	<u>120,646</u>	<u>29,996</u>	<u>-</u>	<u>76,527</u>	<u>1,093,841</u>	<u>4,537,585</u>
Deferred Inflows of Resources							
Property taxes	3,337,967	-	239,435	-	-	36,933	3,614,335
Nonexchange transactions	1,068,053	242,540	-	-	1,800,000	161,453	3,272,046
Total deferred inflows of resources	<u>4,406,020</u>	<u>242,540</u>	<u>239,435</u>	<u>-</u>	<u>1,800,000</u>	<u>198,386</u>	<u>6,886,381</u>
Fund Balances							
Nonspendable	7,521	-	-	-	-	-	7,521
Restricted	413,562	9,349,530	9,515,575	388,769	11,603	13,457,544	33,136,583
Committed	3,487,829	-	-	-	-	3,955,636	7,443,465
Assigned	5,412,389	-	-	-	-	146,872	5,559,261
Unassigned	30,317,980	-	-	-	-	-	30,317,980
Total fund balances	<u>39,639,281</u>	<u>9,349,530</u>	<u>9,515,575</u>	<u>388,769</u>	<u>11,603</u>	<u>17,560,052</u>	<u>76,464,810</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 47,261,876</u>	<u>\$ 9,712,716</u>	<u>\$ 9,785,006</u>	<u>\$ 388,769</u>	<u>\$ 1,888,130</u>	<u>\$ 18,852,279</u>	<u>\$ 87,888,776</u>

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

State of New Mexico
Doña Ana County
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2017

Total fund balance - total governmental funds		\$ 76,464,810
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds (less Internal Service Fund).		171,033,284
Internal service funds are used by management to charge the cost of certain activities, such as fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position.		2,933,156
Long-term liabilities are not due and payable in the current period and , therefore, they are not reported in the governmental funds:		
Bonds and notes payable	\$ (22,431,719)	
Compensated absences (less Internal Service Fund)	(5,025,509)	
Net pension liability	<u>(72,478,854)</u>	
		(99,936,082)
Defined benefit pension plan deferred outflows of resources are not current financial resources and, therefore, are not reported in the governmental funds.		26,413,442
Defined benefit pension plan deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(1,893,570)
Some revenues will not be available to pay for current period expenditures and, therefore, are recorded as deferred inflows of resources in the governmental funds.		<u>3,614,335</u>
Net position of governmental activities		<u><u>\$ 178,629,375</u></u>

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

State of New Mexico
Doña Ana County
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances—Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Fund					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Fire Districts	25135 County Flood Commission	25160 Spaceport Gross Receipts	23111 State Appropriations		
Revenues							
Taxes							
Property taxes	\$ 40,946,990	\$ -	\$ 2,308,591	\$ -	\$ -	\$ 450,531	\$ 43,706,112
General sales and use taxes	27,885,749	1,620,616	-	2,138,038	-	13,799,338	45,443,741
Payment in lieu of taxes	3,130,852	-	-	-	-	-	3,130,852
Penalties and interest	1,493,950	-	-	-	-	30,464	1,524,414
Intergovernmental revenue - state	494,473	1,780,759	-	-	2,156,906	2,357,730	6,789,868
Intergovernmental revenue - federal	-	-	-	-	-	2,613,026	2,613,026
Charges for services	13,980,407	-	-	-	-	874,934	14,855,341
Contributions/donations	25	-	-	-	-	167,899	167,924
Investment earnings	302,710	86,021	73,865	-	-	84,826	547,422
License and permits	686,482	-	-	-	-	-	686,482
Rents and royalties	467,048	4,200	-	-	-	-	471,248
Other revenue	1,214,048	214	2,830	-	245,764	3,292,613	4,755,469
Total revenues	<u>90,602,734</u>	<u>3,491,810</u>	<u>2,385,286</u>	<u>2,138,038</u>	<u>2,402,670</u>	<u>23,671,361</u>	<u>124,691,899</u>
Expenditures							
Current							
General government	27,804,097	-	-	-	-	1,324,430	29,128,527
Public safety	44,093,888	1,321,487	-	-	-	3,368,461	48,783,836
Public works	8,123,845	-	1,606,346	-	-	385,611	10,115,802
Health and welfare	-	-	-	-	-	10,282,187	10,282,187
Education	-	-	-	2,037,408	-	-	2,037,408
Sanitation	-	-	-	-	-	83,278	83,278
Community development	1,889,455	-	-	-	-	299,367	2,188,822
Debt service							
Principal	115,630	-	-	-	-	1,635,000	1,750,630
Interest	27,846	-	-	-	-	846,433	874,279
Fiscal agent fees	-	-	-	-	-	3,194	3,194
Capital outlay	4,786,534	2,221,075	330,194	-	2,474,050	3,763,722	13,575,575
Total expenditures	<u>86,841,295</u>	<u>3,542,562</u>	<u>1,936,540</u>	<u>2,037,408</u>	<u>2,474,050</u>	<u>21,991,683</u>	<u>118,823,538</u>
Excess (deficiency) of revenues over expenditures	<u>3,761,439</u>	<u>(50,752)</u>	<u>448,746</u>	<u>100,630</u>	<u>(71,380)</u>	<u>1,679,678</u>	<u>5,868,361</u>

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

State of New Mexico
Doña Ana County
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances—Governmental Funds — continued
For the Year Ended June 30, 2017

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Fire Districts	25135 County Flood Commission	25160 Spaceport Gross Receipts	23111 State Appropriations		
Other Financing Sources (Uses)							
Transfer in	5,934,535	-	-	-	-	5,808,033	11,742,568
Transfer out	<u>(9,007,162)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,541,060)</u>	<u>(13,548,222)</u>
Total other financing sources (uses)	<u>(3,072,627)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,266,973</u>	<u>(1,805,654)</u>
Net change in fund balances	688,812	(50,752)	448,746	100,630	(71,380)	2,946,651	4,062,707
Fund balances, beginning of year	<u>38,950,469</u>	<u>9,400,282</u>	<u>9,066,829</u>	<u>288,139</u>	<u>82,983</u>	<u>14,613,401</u>	<u>72,402,103</u>
Fund balances, end of year	<u>\$ 39,639,281</u>	<u>\$ 9,349,530</u>	<u>\$ 9,515,575</u>	<u>\$ 388,769</u>	<u>\$ 11,603</u>	<u>\$ 17,560,052</u>	<u>\$ 76,464,810</u>

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

State of New Mexico
Doña Ana County
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2017

Net change in fund balances – governmental funds	\$ 4,062,707
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 assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlay	\$ 13,575,575
Adjustments to the capital asset records	702,838
Depreciation expense (less Internal Service Fund)	<u>(17,178,920)</u>
	(2,900,507)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management to individual funds. The net change of the internal service funds resulting from transactions not recorded with governmental funds.	
	(401,886)
The issuance of long-term debt (e.g. bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	
Amortization of bond premium	27,189
Payment of contingent liability as previously reported	160,840
Change in compensated absences (less Internal Service Fund)	(31,771)
Net pension expense	(8,186,237)
Principal payments on bonds and notes payable	1,750,630
Principal payments on notes payable from CRRUA	<u>50,631</u>
	(6,228,718)
Revenues in the governmental funds that provide current financial resources are not included in the government-wide statement of activities because they were recognized in a prior period.	
	<u>579,243</u>
Change in net position of governmental activities	<u>\$ (4,889,161)</u>

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

State of New Mexico
Doña Ana County
Statement of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance with Final Budget –
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes	\$ 68,080,542	\$ 69,252,092	\$ 69,842,291	\$ 590,199
Payment in lieu of taxes	3,040,125	3,130,852	3,130,852	-
Licenses and permits	335,674	335,674	686,482	350,808
Intergovernmental revenue	1,054,569	1,147,838	399,419	(748,419)
Charges for services	14,490,188	14,670,188	14,154,183	(516,005)
Investment earnings	352,969	352,969	301,333	(51,636)
Other	2,271,184	2,559,634	2,087,290	(472,344)
Total revenues	89,625,251	91,449,247	90,601,850	(847,397)
Expenditures				
Current				
Personal costs	53,111,445	51,809,137	48,469,187	3,339,950
Operating costs	34,858,696	37,200,103	32,315,966	4,884,137
Capital outlay	840,017	1,005,245	1,425,539	(420,294)
Debt service				
Principal payments	115,630	115,630	115,629	1
Interest payments	28,105	28,105	28,105	-
Total expenditures	88,953,893	90,158,220	82,354,426	7,803,794
Excess (deficiency) of revenues over expenditures	671,358	1,291,027	8,247,424	6,956,397
Other Financing Sources (Uses)				
Operating transfers in	35,832,796	38,022,453	38,022,453	-
Operating transfers out	(42,035,617)	(44,434,558)	(44,434,558)	-
Total other financing sources (uses)	(6,202,821)	(6,412,105)	(6,412,105)	-
Excess (deficiency) of revenue over expenditures and other financing sources (uses))	(5,531,463)	(5,121,078)	1,835,319	6,956,397
Budget cash carryover	5,531,463	5,121,078		
Total	\$ -	\$ -		

Budgetary Compliance—Non-GAAP Financial Statement Reconciliation

Change in fund balance (budget basis)	1,835,319
To adjust applicable revenue accruals and deferrals	884
Intrafund transfers elimination	35,427,396
Intrafund transfers elimination	(35,427,396)
Transfer in of capital assets	3,339,478
To adjust applicable expenditures accruals	(4,486,869)
Change in fund balances (GAAP basis)	\$ 688,812

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

State of New Mexico
Doña Ana County
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Fire Districts—Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 1,490,011	\$ 1,490,011	\$ 1,623,985	\$ 133,974
Intergovernmental revenue and grants	1,473,522	2,952,751	1,908,667	(1,044,084)
Investment earnings	66,436	66,436	86,154	19,718
Other	4,200	4,200	4,414	214
Total revenues	3,034,169	4,513,398	3,623,220	(890,178)
Expenditures				
Current				
Operating costs	3,487,945	3,419,046	1,275,793	2,143,253
Capital outlay	4,350,793	5,898,920	2,221,075	3,677,845
Total expenditures	7,838,738	9,317,966	3,496,868	5,821,098
Excess (deficiency) of revenues over expenditures	(4,804,569)	(4,804,568)	126,352	4,930,920
Other Financing Sources (Uses)				
Transfers in	1,500,000	1,500,000	1,500,000	-
Transfers out	(1,500,000)	(1,500,000)	(1,500,000)	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(4,804,569)	(4,804,568)	126,352	\$ 4,930,920
Budgeted cash carryover	-	-	-	-
Total	\$ (4,804,569)	\$ (4,804,568)		

Budgetary Compliance—Non-GAAP Financial Statement Reconciliation

Change in fund balance (budget basis)	126,352
To adjust applicable revenue accruals and deferrals	(131,410)
Intrafunds eliminations	(1,500,000)
Intrafunds eliminations	1,500,000
To adjust applicable expenditures accruals	(45,694)
Change in fund balances (GAAP basis)	\$ (50,752)

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

State of New Mexico
Doña Ana County
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
County Flood Commission Fund—Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 2,060,000	\$ 2,060,000	\$ 1,998,126	\$ (61,874)
Contributions/donations	-	400,000	-	(400,000)
Investment earnings	60,000	60,000	73,955	13,955
Other revenue	5,200	5,200	2,830	(2,370)
Total revenues	2,125,200	2,525,200	2,074,911	(450,289)
Expenditures				
Current				
Personal costs	922,300	922,300	851,265	71,035
Operating costs	1,472,865	1,472,865	733,718	739,147
Capital outlay	1,492,000	1,492,000	330,194	1,161,806
Total expenditures	3,887,165	3,887,165	1,915,177	1,971,988
Excess (deficiency) of revenues over expenditures	(1,761,965)	(1,361,965)	159,734	2,422,277
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(1,761,965)	(1,361,965)	159,734	\$ 2,422,277
Budgeted cash carryover	1,761,965	1,361,965		
Total	\$ -	\$ -		
Budgetary Compliance—Non-GAAP Financial Statement Reconciliation				
Change in fund balance (budget basis)			159,734	
To adjust applicable revenue accruals and deferrals			310,375	
To adjust applicable expenditures accruals			(21,363)	
Change in fund balances (GAAP basis)			\$ 448,746	

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

State of New Mexico
Doña Ana County
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Spaceport Gross Receipts—Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 2,050,144	\$ 2,050,144	\$ 2,037,408	\$ (12,736)
Total revenues	2,050,144	2,050,144	2,037,408	(12,736)
Expenditures				
Current				-
Operating costs	2,050,144	2,050,144	2,037,408	12,736
Total expenditures	2,050,144	2,050,144	2,037,408	12,736
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	-	\$ -
Budgeted cash carryover	-	-		
Total	\$ -	\$ -		

Budgetary Compliance—Non-GAAP Financial Statement Reconciliation

Change in fund balance (budget basis)	-
To adjust applicable revenue accruals and deferrals	100,630
To adjust applicable expenditures accruals	-
Change in fund balances (GAAP basis)	\$ 100,630

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

State of New Mexico
Doña Ana County
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
State Appropriations—Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 13,640,342	\$ 17,414,942	\$ 4,336,697	\$ (13,078,245)
Investment earnings	-	-	3,647	3,647
Total revenues	13,640,342	17,414,942	4,340,344	(13,074,598)
Expenditures				
Current				
Operating costs	12,861,127	13,278,558	1,338,000	11,940,558
Capital outlay	775,492	4,132,662	1,289,308	2,843,354
Total expenditures	13,636,619	17,411,220	2,627,308	14,783,912
Excess (deficiency) of revenues over expenditures	3,723	3,722	1,713,036	1,709,314
Other Financing Sources (Uses)				
Transfers in	-	600,000	600,000	-
Transfers out	-	(600,000)	(600,000)	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	3,723	3,722	1,713,036	\$ 1,709,314
Budgeted cash carryover	-	-		
Total	\$ 3,723	\$ 3,722		

Budgetary Compliance—Non-GAAP Financial Statement Reconciliation

Change in fund balance (budget basis)	1,713,036
To adjust applicable revenue accruals and deferrals	(1,937,674)
Intrafund eliminations	600,000
Intrafund eliminations	(600,000)
To adjust applicable expenditures accruals	153,258
Change in fund balances (GAAP basis)	\$ (71,380)

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

State of New Mexico
Doña Ana County
Proprietary Funds
Statement of Net Position
June 30, 2017

	Business-Type Activities				Governmental
	50070	50044		Total	60020
	Chaparral Wastewater System	South Central Wastewater System			Nonmajor Enterprise Funds
Assets					
Current assets					
Cash and cash equivalents	\$ 119,171	\$ 710,324	\$ 530,545	\$ 1,360,040	\$ 410,336
Receivables, net					
Accounts	43,251	79,035	23,249	145,535	-
Interest and other	-	257	246	503	-
Inventory	-	-	-	-	126,040
Total current assets	<u>162,422</u>	<u>789,616</u>	<u>554,040</u>	<u>1,506,078</u>	<u>536,376</u>
Noncurrent assets					
Capital assets, net	<u>7,305,529</u>	<u>20,089,781</u>	<u>11,498,955</u>	<u>38,894,265</u>	<u>2,589,041</u>
Total noncurrent assets	<u>7,305,529</u>	<u>20,089,781</u>	<u>11,498,955</u>	<u>38,894,265</u>	<u>2,589,041</u>
Total assets	<u>7,467,951</u>	<u>20,879,397</u>	<u>12,052,995</u>	<u>40,400,343</u>	<u>3,125,417</u>
Liabilities					
Current liabilities					
Accounts payable	133	15,433	2,065	17,631	89,676
Accrued payroll liabilities	323	5,466	11,099	16,888	9,287
Accrued interest payable	6,364	13,801	5,251	25,416	-
Other liabilities	10,074	49,497	-	59,571	-
Bonds and notes payable, current portion	<u>12,437</u>	<u>166,593</u>	<u>68,978</u>	<u>248,008</u>	<u>-</u>
Total current liabilities	<u>29,331</u>	<u>250,790</u>	<u>87,393</u>	<u>367,514</u>	<u>98,963</u>
Noncurrent liabilities					
Bonds and notes payable, net of current portion	426,676	2,092,884	856,164	3,375,724	-
Compensated absences	<u>7,377</u>	<u>70,009</u>	<u>14,950</u>	<u>92,336</u>	<u>93,298</u>
Total long-term liabilities	<u>434,053</u>	<u>2,162,893</u>	<u>871,114</u>	<u>3,468,060</u>	<u>93,298</u>
Total liabilities	<u>463,384</u>	<u>2,413,683</u>	<u>958,507</u>	<u>3,835,574</u>	<u>192,261</u>
Net Position					
Net investment in capital assets	6,866,416	17,830,304	10,573,813	35,270,533	2,589,041
Unrestricted	<u>138,151</u>	<u>635,410</u>	<u>520,675</u>	<u>1,294,236</u>	<u>344,115</u>
Total net position	<u>\$ 7,004,567</u>	<u>\$ 18,465,714</u>	<u>\$ 11,094,488</u>	<u>\$ 36,564,769</u>	<u>\$ 2,933,156</u>

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

State of New Mexico
Doña Ana County
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2017

	Business-Type Activities			Governmental	
	50070	50044		60020	
	Chaparral	South Central	Nonmajor	Total	
	Wastewater	Wastewater	Enterprise	Enterprise	
	System	System	Funds	Funds	
				Internal	
				Service Fund	
				Fleet	
Operating Revenues					
Charges for services	\$ 117,707	\$ 791,430	\$ 245,748	\$ 1,154,885	1,555,667
Other revenue	9,663	50,808	54,522	114,993	400
Total operating revenues	<u>127,370</u>	<u>842,238</u>	<u>300,270</u>	<u>1,269,878</u>	<u>1,556,067</u>
Operating Expenses					
Salaries and wages	35,404	236,386	53,815	325,605	480,153
Employee benefits	26,324	112,049	27,552	165,925	235,980
Professional fees and contractual services	-	150,359	194,516	344,875	14,266
Utilities	30,901	227,977	62,078	320,956	597,381
Depreciation	461,122	828,507	527,756	1,817,385	481,530
Other	23,562	180,269	160,159	363,990	1,059,165
Total operating expenses	<u>577,313</u>	<u>1,735,547</u>	<u>1,025,876</u>	<u>3,338,736</u>	<u>2,868,475</u>
Operating income (loss)	<u>(449,943)</u>	<u>(893,309)</u>	<u>(725,606)</u>	<u>(2,068,858)</u>	<u>(1,312,408)</u>
Nonoperating Revenues (Expenses)					
Investment earnings	-	4,383	4,718	9,101	-
Intergovernmental revenues - state	695,928	25,716	-	721,644	-
Interest expense	(7,034)	-	(50,845)	(57,879)	-
Total nonoperating revenues (expenses)	<u>688,894</u>	<u>30,099</u>	<u>(46,127)</u>	<u>672,866</u>	<u>-</u>
Income (loss) before transfers	<u>238,951</u>	<u>(863,210)</u>	<u>(771,733)</u>	<u>(1,395,992)</u>	<u>(1,312,408)</u>
Transfers In (Out)					
Transfers in	100,000	698,239	605,206	1,403,445	4,250,000
Transfer out	(18,429)	(187,518)	(302,366)	(508,313)	(3,339,478)
Total transfers in (out)	<u>81,571</u>	<u>510,721</u>	<u>302,840</u>	<u>895,132</u>	<u>910,522</u>
Change in net position	<u>320,522</u>	<u>(352,489)</u>	<u>(468,893)</u>	<u>(500,860)</u>	<u>(401,886)</u>
Net position, beginning of year	6,684,045	19,253,040	11,128,544	37,065,629	6,417,394
Restatement (Note 15)	-	(434,837)	434,837	-	(3,082,352)
Net position, beginning of year, after restatement	<u>6,684,045</u>	<u>18,818,203</u>	<u>11,563,381</u>	<u>37,065,629</u>	<u>3,335,042</u>
Net position, end of year	<u>\$ 7,004,567</u>	<u>\$ 18,465,714</u>	<u>\$ 11,094,488</u>	<u>\$ 36,564,769</u>	<u>\$ 2,933,156</u>

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

State of New Mexico
Doña Ana County
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2017

	Business-Type Activities				Governmental Activities
	50070	50044	Nonmajor Enterprise Funds	Total Enterprise Funds	60020
	Chaparral Wastewater System	South Central Wastewater System			Internal Service Fund Fleet
Cash flows from operating activities					
Cash received from customers	\$ 161,242	\$ 1,122,836	\$ 261,010	\$ 1,545,088	\$ 1,668,622
Cash paid to employees for services	(63,105)	(329,575)	(75,782)	(468,462)	(699,061)
Cash paid to suppliers for goods and services	(59,465)	(575,446)	(431,391)	(1,066,302)	(1,682,734)
Other receipts	9,663	50,808	39,803	100,274	16,905
Net cash provided (used) by operating activities	<u>48,335</u>	<u>268,623</u>	<u>(206,360)</u>	<u>110,598</u>	<u>(696,268)</u>
Cash flows from noncapital financing activities					
Transfers from other funds	100,000	698,239	605,206	1,403,445	4,250,000
Transfers to other funds	(18,429)	(187,518)	(302,366)	(508,313)	(3,339,478)
Net cash provided by noncapital financing activities	<u>81,571</u>	<u>510,721</u>	<u>302,840</u>	<u>895,132</u>	<u>910,522</u>
Cash flows from capital and related financing activities					
Purchase of capital assets	(791,025)	(53,402)	-	(844,427)	-
Proceeds from issuance of debt	89,050	-	-	89,050	-
Principal payments	(12,437)	(87,265)	(144,595)	(244,297)	-
Interest payments	(7,034)	-	(51,467)	(58,501)	-
Grant revenue	695,928	25,716	-	721,644	-
Net cash used by capital and related financing activities	<u>(25,518)</u>	<u>(114,951)</u>	<u>(196,062)</u>	<u>(336,531)</u>	<u>-</u>
Cash flows from investing activities					
Interest on investments	-	4,126	4,754	8,880	-
Net cash provided by investing activities	<u>-</u>	<u>4,126</u>	<u>4,754</u>	<u>8,880</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	104,388	668,519	(94,828)	678,079	214,254
Cash and cash equivalents, beginning of year	14,783	41,805	625,373	681,961	196,082
Cash and cash equivalents, end of year	<u>\$ 119,171</u>	<u>\$ 710,324</u>	<u>\$ 530,545</u>	<u>\$ 1,360,040</u>	<u>\$ 410,336</u>

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

State of New Mexico
Doña Ana County
Proprietary Funds
Statement of Cash Flows — continued
For the Year Ended June 30, 2017

	Business-Type Activities				Governmental Activities
	50070 Chaparral Wastewater System	50044 South Central Wastewater System	Nonmajor Enterprise Funds	Total Enterprise Funds	60020 Internal Service Fund Fleet
Reconciliation of operating loss to net cash used by operating activities					
Operating loss	\$ (449,943)	\$ (893,309)	\$ (725,606)	\$ (2,068,858)	\$ (1,312,408)
Adjustments					
Depreciation expense	461,122	828,507	527,756	1,817,385	481,530
Change in assets and liabilities					
Receivables	43,535	351,991	543	396,069	129,460
Inventory	-	-	-	-	(37,626)
Accounts payable	(5,002)	(37,426)	(14,638)	(57,066)	25,704
Accrued payroll liabilities	207	4,840	2,837	7,884	1,676
Other liabilities	1,128	5,433	-	6,561	-
Compensated absences	(2,712)	8,587	2,748	8,623	15,396
Net cash provided (used) by operating activities	<u>\$ 48,335</u>	<u>\$ 268,623</u>	<u>\$ (206,360)</u>	<u>\$ 110,598</u>	<u>\$ (696,268)</u>

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

State of New Mexico
Doña Ana County
Statement of Fiduciary Assets and Liabilities – Agency Funds
June 30, 2017

	Agency Funds
Assets	
Cash and cash equivalents	\$ 2,555,305
Taxes receivables, net of allowance	6,857,045
Other receivables	11,114
Total assets	\$ 9,423,464
Liabilities	
Accounts payable	\$ 1,815
Taxes paid in advance	295,886
Taxes in suspense	850,912
Control accounts (other liabilities)	920,006
Due to others	211,234
Taxes due to others	929,678
Unearned revenue	6,213,933
Total liabilities	\$ 9,423,464

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

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1) Organization of the County and Summary of Significant Accounting Policies

The function of Doña Ana County is briefly addressed in the grant of powers provided to all New Mexico counties pursuant to state statute 4-37-1 NMSA 1978. The function is "...to provide for the safety, preserve the health, promote the prosperity, and improve the morals, order, comfort, and convenience of the County or its inhabitants..." The County operates under a Commission form of government rule, which oversees:

- ◆ the assessment, collection, and distribution of ad valorem taxes by an elected assessor and treasurer;
- ◆ law enforcement by an elected sheriff;
- ◆ recording and filing by an elected county clerk and elected probate judge;
- ◆ fire protection by volunteer fire departments;
- ◆ road maintenance by an appointed road superintendent;
- ◆ purchasing by an appointed purchasing agent;
- ◆ indigent hospital care by an appointed indigent coordinator;
- ◆ administrative services by an appointed county manager; and
- ◆ planning, health, welfare, recreation, and cultural affairs by appointed citizen advisory boards.

The financial statements of the County have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County's most significant accounting policies are described below.

Reporting Entity

The financial statements of the County encompass the activities of the County Commission, County Clerk, Tax Assessor, County Treasurer, Sheriff; and Probate Judge. The commission activity includes the function of the County Manager's office, the County Road Superintendent, the County Purchasing Agent, the Indigent Claims Coordinator, and the volunteer fire districts throughout the county.

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB No. 14 and No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, there were no component units identified as needing to be disclosed or presented as part of the reporting entity

Basis of Presentation

Government-Wide Statements – The Statement of Net Position and the Statement of Activities display information about the government as a whole (the “County”). These statements include the financial activities of the overall government, except for fiduciary activities. The statements also distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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Fund Financial Statements—The fund financial statements provide information about the County’s funds, including its fiduciary funds. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as intergovernmental revenue and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the general fund as a major governmental fund. This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

In addition, the County reports the following other major funds:

Governmental Funds

Special Revenue Fund – Fire Districts—To account for the operation and maintenance of the sixteen volunteer fire districts throughout the County of Doña Ana, in accordance with NMSA 7-20E-I 5. Funding is provided from the State Fire Fund.

Special Revenue Fund – County Flood Commission—To account for the operations of the flood projects, in accordance with NMSA Compilation Section 7 Article 38-38-I. The funding is provided by charging an administrative fee on property taxes collected and distributed.

Special Revenue Fund – Spaceport Gross Receipts Tax—To provide funding to the regional Spaceport district for the financing, planning, designing, engineering and construction of a Spaceport or for projects or services of the district pursuant to the regional Spaceport district act by DAC Ordinance 227A-07.

Special Revenue Fund – State Appropriations—To account for various appropriations from the State Legislature for various projects.

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Proprietary Funds

Enterprise Fund – Chaparral Wastewater System—accounts for the service activities of the wastewater system.

Enterprise Fund – South Central Wastewater System—accounts for the activities of the wastewater utility, which provides service to the residents in Vado/Del Cerro, Chamberino, Berino and south central areas of the County.

The County also reports the following fund types:

Internal Service Fund—accounts for fleet maintenance services provided to other departments of the government. Services are provided on a cost reimbursement basis. Because the principal users of the internal service funds are the County’s governmental activities, the assets and liabilities of the internal service funds are consolidated into the governmental activities column of the government-wide statement of net position. The costs of the internal service funds services are allocated to the appropriate functions on the government-wide statement of activities and the revenues and expenses within the internal service funds are eliminated from the community-wide financial statements, except for those related to the Community’s component units

Fiduciary Funds—Fiduciary funds include agency funds used to account for assets held by the County as an agent for individuals, other governments, and/or other funds. The County maintains the following agency funds:

- *Cost to State/Treasurer*—this fund accounts for delinquent property taxes. These monies are then paid to the State of New Mexico Taxation and Revenue Department.
- *Inmate Welfare Fund*—this fund accounts for monies received from vending machines at the Detention Center. These monies are then used to support activities at the Detention Center.
- *Inmate Trust Fund*—this fund accounts for monies that belong to inmates at the time they are detained. These monies are held until inmates are released.
- *Children’s Trust Fund*—this fund accounts for the preapproved percentage of marriage license fees. These monies are then disbursed to Children’s Youth Family Department of the State of New Mexico.
- *Property Tax Refund Fund*—this fund accounts for property tax collections. These monies are then disbursed to the appropriate the surrounding community.
- *Airport Road*—Special Assessment 2001A Fund – this fund accounts for special assessment fees billed by the County and passed onto U.S. Bank.

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- *Border Park – Special Assessment 2001B Fund*—this fund accounts for special assessment fees billed by the County and passed onto U.S. Bank

Measurement Focus, Basis of Accounting

Government-Wide, Propriety, and Fiduciary Fund Financial Statements – The government-wide, propriety, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Revenue from derived taxes (sales taxes, gas taxes, and motor vehicle taxes) is recognized when the underlying transaction takes place (when the retail sale is generated). Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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Implementation of New Accounting Principles

The GASB has issued Statements No. 77, entitled *Tax Abatement* and No. 82, *Pension Issues*. These statements did not have a material effect on the County's financial statements.

Cash and Cash Equivalents

The County pools idle cash from all funds for the purpose of increasing income through investment activities. A "pooled cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in pooled cash and investments are considered to be cash equivalents for the purposes of the statement of cash flows, except for certificates of deposit or other investments that have original maturities of more than 90 days.

Investments

The County's investments are regulated by state law as well as by guidelines and rules promulgated by the State Investment Council and the State Treasurer. All investments are generally highly liquid in nature and are integrated with cash on the financial statements with appropriate disclosure. Investments are stated at fair value, which is determined using selected bases. Certificates of deposit are reported at carrying amount, which reasonably estimates fair value. Investments in a U.S. treasury fund and repurchase agreements are valued at the last reported sales price at current exchange rates. Additional cash, investment information, and fair values are presented in Note 2.

Receivables and Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded as revenue when levied, net of estimated refunds and uncollectable amounts.

Inventory

Inventories in governmental funds consist of expendable supplies held for consumption, and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are accounted for using the consumption method. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis, and consist of operating supplies held for use in operations and are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental

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or business- type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information technology equipment, including software, is capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest expense was capitalized by the County during the current fiscal year.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Years
Land improvements	10
Buildings and improvements	10 – 40
Furniture, fixtures, and equipment	3 – 15
Vehicles	5 – 15
Infrastructure	5 – 50

Deferred Outflows/Inflows of Resources

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding deferred inflow. Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available, to finance expenditures of the current fiscal period, and all other eligibility requirements have been met, then the assets must be offset by a corresponding deferred inflow of resources.

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The taxes receivable are an aggregate of uncollected amounts assessed for the current fiscal year, as well as delinquent balances carried forward from the nine preceding fiscal years. Except for taxes received in advance or under protest, tax revenue received is distributed within thirty days to other local governmental units and County funds. While some of the delinquent outstanding balances will eventually be eliminated through corrections, litigation, and other property tax administrative procedures, the majority of the balances will ultimately be realized through delinquent payment or tax sales. The aggregate amount of this ultimate realization is generally difficult to ascertain at any point in time. Thus, taxes not collected within sixty days' of year-end are offset by deferred inflows of resources in the governmental funds balance sheet.

Deferred outflows of resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The County's only deferred outflows related to the County's participation in the Public Employees Retirement Association (PERA) defined benefit plan under Governmental Accounting Standards Board (GASB) Statement No. 68.

Deferred inflows of resources, represents an acquisition of net position/fund balance that applied to a future period and so will not be recognized until then. The County reports deferred inflows of resources for unavailable property tax revenue, as well as for nonexchange transactions in the governmental funds balance sheet.

The County also reports deferred inflows of resources related to the County's participation in the PERA defined benefit plan under GASB Statement No. 68.

Compensated Absences

Accrued annual leave, sick leave, and compensatory time are the components of accrued compensated absences. An employee may not carry over more than 240 hours of vacation leave into a new calendar year, nor receive payment for more than 288 hours upon separation. Under a human resources policy adopted November 27, 1999, employees retiring under PERA, with a minimum of 15 years of County service, shall be paid for accrued sick leave hours, limited to a maximum of 600 hours, subject to a maximum cash payment of \$15,000. In addition, such employees shall be compensated for any unused sick leave hours accrued as of November 27, 1999, at the employee's pay rate in effect on that date. Compensatory time is accrued in full for non-exempt employees under the Fair Labor Standards Act.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net

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position. For bonds issued after GASB Statement No. 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. For governmental fund financial reporting, bond premiums, discounts, and issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Net Position

Equity is classified as net position and displayed in three components on the government-wide financial statements, as well as the proprietary fund financial statements:

Net Investment in Capital Assets – Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balances

In accordance with GASB Statement No 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Under GASB 54, fund balance is divided into five classifications based primarily on the extent to which the County must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable – Amounts not in a spendable form, such as prepaid expenses, inventories, or long-term portion of receivables or property held for resale, if the use of the proceeds from the collection/sale of property held for resale is not otherwise constrained. Nonspendable amounts also include amounts legally or contractually required to remain intact, such as the principal of a permanent fund.

Restricted – Amounts constrained to specific purposes that are externally imposed or imposed by law through constitutional provisions or enabling legislation (such as taxpayers, grantors, bondholders, and higher levels of government).

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Committed – Amounts constrained to specific purposes by the governmental entity’s highest level of decision-making authority (the County Commission). To be reported as committed, amounts cannot be used for any other purpose unless the County Commission takes the same highest level action to remove or change the constraint.

Assigned – Amounts constrained by the County intends to be used for a specific purpose. Intent can be expressed by the governing body (County Commission) or an official or body to which the governing body delegates authority.

Unassigned – Balances available for any purpose. Positive amounts are reported only in the general fund. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The County Commission establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). The County assigns fund balance for subsequent fiscal years projected budgetary deficits according to GASB Statement No. 54, Paragraph 16.

See the Schedule of Fund Balances as listed in the table of contents for additional information about fund balances.

When an expenditure is incurred for purposes for which both restricted (restricted, committed, assigned) and unassigned fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless County Commission or the finance department has provided otherwise in its commitment or assignment actions.

Budgets and Budgetary Accounting

The County adopts budgets for each individual fund (governmental and proprietary). In late winter or early spring, the County prepares a budget calendar, thus starting the budgetary process for the upcoming July 1 fiscal year. Budget request forms are distributed to County departments and local service agencies with a specified completion date. Legally mandated advance notices are formally published for grant availability and other purposes once budget hearings have been scheduled. The budget hearings are then held with all County department heads and local service agency representatives. Generally, in late May or early June, a budget meeting is held for tentative approval of the completed budget. After tentative approval at the County level, the budget is

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submitted to the New Mexico Department of Finance and Administration (DFA) for approval of a temporary operational budget beginning July 1.

Immediately after July 1, when ending cash balances for the preceding fiscal year have been accurately ascertained, a final hearing is convened for finalization of the budget, and it is resubmitted to DFA for formal approval. None of the above budgetary processes are legally required to occur at any specified time; however DFA requires that the time frame be such that they (DFA) render their final budget approval no later than September 1 of the budget year in question.

During the course of the fiscal year, the County prepares monthly budget reports. Under New Mexico State law, each year's budget appropriation legally lapses at year-end.

Budgetary Compliance – Budgetary control is required to be maintained at the individual fund level.

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over- budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

Budget Amendments – Budget increases and decreases can only be accomplished by Commission resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.

Budgetary Basis – State law prescribes that the County's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget as amended.

The accompanying Statements of Revenue, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2017, is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

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Income Taxes

As a local government entity, the County is not subject to federal or state income taxes.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers.

Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

2) Cash, Cash Equivalents and Investments

The County's cash and cash equivalents balances consist of demand deposits (including certificates of deposits), interest bearing savings accounts, money market accounts and repurchase agreement. The majority of County's cash, cash equivalents and investments are pooled. All interest income is accounted for in the related funds.

The County's investments consist of U.S. government agency securities, U.S. treasury bonds and County and Municipal bonds.

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The following is a summary of the County’s cash, cash equivalents and investment balances by fund type as of June 30, 2017:

Cash, cash equivalents, and investments are reported in the following categories on the statement of net position and the agency fund statement of fiduciary net position	
Total cash, cash equivalents, and investments	<u><u>\$ 77,468,114</u></u>

Cash, cash equivalents, and investments are comprised of the following at June 30, 2017:	
Cash on hand	<u>\$ 8,628</u>
Deposits	
Demand deposits	24,395,404
Certificates of deposit	25,500,000
Repurchase agreements	<u>5,009,534</u>
Subtotal deposits	<u>54,904,938</u>
Investments	<u>22,554,548</u>
Total cash, cash equivalents, and investments	<u><u>\$ 77,468,114</u></u>

Custodial Credit Risk Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County funds may not be returned. State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. At present, state statutes require that a minimum of 50% of uninsured balances on deposit with anyone institution must be collateralized, with higher requirements up to 100% for financially troubled institutions. Investments in repurchase agreements must be collateralized at 102% of the contract. In addition, some bond covenants require debt service reserve amounts to be collateralized at 105%. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, County, or political subdivision of the State of New Mexico.

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As of June 30, 2017, the County's deposits were exposed to custodial credit risk as follows:

	50%	102%	Total
	Requirement	Requirement	
Deposits			
Checking	\$ 16,728,535	\$ -	\$ 16,728,535
Savings	11,202,945	-	11,202,945
Certificates of deposits	25,500,000	-	25,500,000
Repurchase agreements	-	5,009,534	5,009,534
Total deposits	<u>53,431,480</u>	<u>5,009,534</u>	<u>58,441,014</u>
Less FDIC insurance	<u>14,381,600</u>	<u>-</u>	<u>14,381,600</u>
Total uninsured public funds	<u>39,049,880</u>	<u>5,009,534</u>	<u>44,059,414</u>
Collateral requirement	19,524,940	5,109,725	24,634,665
Pledged securities at fair value	<u>39,825,427</u>	<u>5,109,725</u>	<u>44,935,152</u>
Pledged in excess of requirement	<u>\$ 20,300,487</u>	<u>\$ -</u>	<u>\$ 20,300,487</u>

Custodial Credit Risk Investments – Custodial credit risk is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investments are not exposed to custodial credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer, of more than 5%. U.S. government securities, mutual funds and external investment pools are exempt from this requirement. As of June 30, 2017, the County has one investment in excess of 5% in a Series 2008 Water System Revenue Bond totaling \$5,520,000 or 11% of the County's investment portfolio.

Credit Risk – The County's investments shall be invested in accordance with State Law 6-10-10 and 6-10-10.1 NMSA 1978, including but not limited to the following: Treasury Bills, Notes, Bonds, and U.S. government securities which are backed by the full faith and credit of the U.S. government. Negotiable securities of the State of New Mexico or any county, municipality, or school district with the advice and consent of the Board of Finance according to 6-10-44 NMSA 1978, 6-10-10 NMSA 1978, 6-10-10 NMSA 1978.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the County investments.

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A summary of the County's investments as of June 30, 2017, including credit ratings and maturities, is as follows:

Investment Type	Fair Value	Credit Rating Moody's	Years to Maturity				Fair Value Measurement Input
			Less than 1	1 - 5	6 - 10	10 +	
U.S. Agency securities	\$ 13,175,530	AAA	\$ 1,000,000	\$ 8,728,255	\$ 3,447,275	\$ -	Level 2
U.S. Agency securities	500,000	Not Rated	-	500,000	-	-	Level 2
U.S. Treasury bond	362,176	AAA	-	-	-	362,176	Level 2
Municipal bond	250,000	A1	-	250,000	-	-	Level 2
County bond	5,520,000	Not Rated	-	-	-	5,520,000	Level 2
Certificates of deposit	25,500,000	Not Rated	3,500,000	22,000,000	-	-	Not Applicable
Money market mutual funds	2,350,350	AAA	2,350,350	-	-	-	Level 1
Money market mutual funds	396,492	Not Rated	396,492	-	-	-	Level 1
	<u>\$ 48,054,548</u>		<u>\$ 7,246,842</u>	<u>\$ 31,478,255</u>	<u>\$ 3,447,275</u>	<u>\$ 5,882,176</u>	

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.

3) Property Taxes

Property taxes attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Current year taxes are levied within five days of the rate setting order received from New Mexico Department of Finance and Administration (7-38-32 thru 7-38-36). Tax bills are mailed by November 1, unless the Doña Ana County Assessor obtains a formal extension of time from the New Mexico Property Tax Division. Taxpayers have the option to pay in two equal installments due by the close of business November 10th and April 10th. Penalty and interest will be accrued after the delinquency due dates of December 10th and May 10th. In the event of a formal extension, the respective dates are correspondingly extended.

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The County bills and collects its own taxes, as well as taxes for the State of New Mexico, city governments (Las Cruces, Hatch, Mesilla and Sunland Park), Doña Ana Branch Community College, Public School Districts (Las Cruces, Hatch and Gadsden) and Flood Districts (Lower Rio Grande and Hueco). In tax year 2017, the County charged the following mil rates:

<u>Tax District</u>	<u>Residential</u>	<u>Non-Residential</u>
02 (Las Cruces-In)	0.028743	0.032147
03 (Las Cruces-Out)	0.023257	0.026243
04 Mesilla	0.024293	0.028583
11 (Hatch-In)	0.031326	0.034449
12 (Hatch-Out)	0.026063	0.028993
16 (Sunland Park-In)	0.03629	0.040594
17 Unincorporated (Anthony/Chaparral)	0.029893	0.032944
18 Incorporated (Anthony)	0.029893	0.032944

The County's share of the property taxes equal approximately 33% to 35% of the total and are used for general governmental services and retirement of long-term debt. The statutory maximum rate for servicing long-term debt with property tax revenue is unlimited, although the total amount of outstanding debt at any one time is restricted by other factors.

The County is required to report all real property delinquencies in excess of three years to the New Mexico Property Tax Division. The State, in turn administers all subsequent collection actions and proceedings.

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4) Capital Assets

A summary of capital assets for both governmental activities and business-type activities for the year ended June 30, 2017, follows. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2016	Additions	Deletions	Adjustments	Transfers	Balance June 30, 2017
Governmental Activities						
<i>Capital assets not being depreciated</i>						
Land	\$ 8,132,956	\$ -	\$ -	\$ -	\$ -	\$ 8,132,956
Construction in progress	17,300,506	7,768,612	-	685,839	(17,580,162)	8,174,795
Total capital assets not being depreciated	<u>25,433,462</u>	<u>7,768,612</u>	<u>-</u>	<u>685,839</u>	<u>(17,580,162)</u>	<u>16,307,751</u>
<i>Capital assets being depreciated</i>						
Land improvements	6,995,885	25,852	-	-	230,362	7,252,099
Building and improvements	97,751,499	-	-	-	12,009,086	109,760,585
Furniture, fixtures, and equipment	24,932,017	1,502,936	(198,300)	-	1,227,483	27,464,136
Vehicles	30,365,906	4,278,175	(907,656)	-	-	33,736,425
Infrastructure	292,432,935	-	-	-	4,113,231	296,546,166
Total capital assets being depreciated	<u>452,478,242</u>	<u>5,806,963</u>	<u>(1,105,956)</u>	<u>-</u>	<u>17,580,162</u>	<u>474,759,411</u>
<i>Less accumulated depreciation for</i>						
Land improvements	(6,180,441)	(194,560)	-	2,167	-	(6,372,834)
Building and improvements	(48,131,170)	(4,706,533)	-	-	-	(52,837,703)
Furniture, fixtures, and equipment	(20,125,435)	(1,543,811)	198,300	14,832	-	(21,456,114)
Vehicles	(19,407,170)	(1,961,586)	907,656	-	-	(20,461,100)
Infrastructure	(207,063,126)	(9,253,960)	-	-	-	(216,317,086)
Total accumulated depreciation	<u>(300,907,342)</u>	<u>(17,660,450)</u>	<u>1,105,956</u>	<u>16,999</u>	<u>-</u>	<u>(317,444,837)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>151,570,900</u>	<u>(11,853,487)</u>	<u>-</u>	<u>16,999</u>	<u>17,580,162</u>	<u>157,314,574</u>
Total governmental activities capital assets	<u>\$ 177,004,362</u>	<u>\$ (4,084,875)</u>	<u>\$ -</u>	<u>\$ 702,838</u>	<u>\$ -</u>	<u>\$ 173,622,325</u>

Depreciation expense of governmental activities for the year ended June 30, 2017, was charged to the following functions and funds:

Governmental activities	
General government	\$ 2,396,387
Public safety	4,525,875
Public works	9,718,180
Community development	317,677
Health and welfare	220,801
Total	<u>17,178,920</u>
Internal service fund	481,530
Total governmental activities	<u>\$ 17,660,450</u>

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	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Business-Type Activities					
<i>Capital assets not being depreciated</i>					
Land	\$ 279,095	\$ -	\$ -	\$ -	\$ 279,095
Construction in progress	1,845,556	844,427	-	(1,689,484)	1,000,499
Total capital assets not being depreciated	<u>2,124,651</u>	<u>844,427</u>	<u>-</u>	<u>(1,689,484)</u>	<u>1,279,594</u>
<i>Capital assets being depreciated</i>					
Building and improvements	135,203	-	-	-	135,203
Furniture, fixtures, and equipment	885,099	-	-	-	885,099
Vehicles	645,623	-	-	-	645,623
Infrastructure	53,411,354	-	-	1,689,484	55,100,838
Total capital assets being depreciated	<u>55,077,279</u>	<u>-</u>	<u>-</u>	<u>1,689,484</u>	<u>56,766,763</u>
<i>Less accumulated depreciation for</i>					
Building and improvements	(46,062)	(12,735)	-	-	(58,797)
Furniture, fixtures, and equipment	(766,529)	(37,888)	-	-	(804,417)
Vehicles	(464,592)	(35,947)	-	-	(500,539)
Infrastructure	(16,057,524)	(1,730,815)	-	-	(17,788,339)
Total accumulated depreciation	<u>(17,334,707)</u>	<u>(1,817,385)</u>	<u>-</u>	<u>-</u>	<u>(19,152,092)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>37,742,572</u>	<u>(1,817,385)</u>	<u>-</u>	<u>1,689,484</u>	<u>37,614,671</u>
Total governmental activities capital assets	<u>\$ 39,867,223</u>	<u>\$ (972,958)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,894,265</u>

5) Long-Term Debt

Long-term debt activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017	Amount Due Within One Year
Governmental activities					
Compensated absences	\$ 5,071,640	\$ 3,469,853	\$ (3,422,686)	\$ 5,118,807	\$ -
General obligation bonds	6,390,000	-	(245,000)	6,145,000	255,000
Revenue bonds	11,995,000	-	(805,000)	11,190,000	825,000
Special assessment district bonds	3,295,000	-	(585,000)	2,710,000	640,000
Notes payable	2,178,130	-	(166,261)	2,011,869	168,700
Bond premium	402,039	-	(27,189)	374,850	-
Net pension liability	44,950,720	31,627,617	(4,099,483)	72,478,854	-
Total governmental activities	<u>\$ 74,282,529</u>	<u>\$ 35,097,470</u>	<u>\$ (9,350,619)</u>	<u>\$ 100,029,380</u>	<u>\$ 1,888,700</u>
Business-type activities					
Compensated absences	\$ 83,713	\$ 35,268	\$ (26,645)	\$ 92,336	\$ -
Revenue bonds	331,000	-	(6,000)	325,000	6,000
Notes payable	3,447,208	89,050	(237,526)	3,298,732	242,008
Total business-type activities	<u>\$ 3,861,921</u>	<u>\$ 124,318</u>	<u>\$ (270,171)</u>	<u>\$ 3,716,068</u>	<u>\$ 248,008</u>

The County's net pension liability is discussed further in Note 8.

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Bonds are liquidated from the debt service funds and other long-term liabilities are liquidated from the general fund and special revenue funds.

The annual principal and interest requirements on long-term debt outstanding as of June 30, 2017, are as follows:

Governmental Activities

General Obligation Bonds

On October 22, 2013, the County issued \$6,800,000 in General Obligation Bonds with an average interest rate of 3% that will be used to (1) acquire, construct, equip, furnish and otherwise improve an E-911 emergency dispatch center, and (2) acquire, replace, construct, equip, furnish and otherwise improve a facility(s) for the purpose of housing and caring for animals that are the subject of pending prosecutions involving animal cruelty (collectively, the “2013 Project”). The bonds are general obligations of the County payable from general (ad valorem) property taxes that may be levied against all taxable property within the County without limitation of rate or amount. The qualified electors of the County approved issuance of the bonds at a special meeting held on July 30, 2013. Payments toward the general obligation bonds began in September 1, 2014, and mature as follows.

Year Ending June 30,	Principal	Interest	Total
2018	\$ 255,000	\$ 185,675	\$ 440,675
2019	270,000	180,300	450,300
2020	280,000	174,700	454,700
2021	290,000	168,525	458,525
2022	300,000	161,357	461,357
2023-2027	1,705,000	664,957	2,369,957
2028-2032	2,085,000	355,438	2,440,438
2033-2034	960,000	19,400	979,400
Totals	<u>\$ 6,145,000</u>	<u>\$ 1,910,352</u>	<u>\$ 8,055,352</u>

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Revenue Bonds

The County has two series of revenue bonds to service in governmental activities.

Bond Description	Date of Issue	Due Date	Original Issue	Outstanding	Rates
Gross Receipts Tax Refunding Bonds, Series 2012	5/1/2013	5/1/2029	\$ 4,870,000	\$ 3,690,000	2.0% to 4.0%
Subordinate Lien Gross Receipts Tax Refunding Bonds, Series 2014	12/1/2014	6/1/2029	<u>8,870,000</u>	<u>7,500,000</u>	2.0% to 5.0%
			<u>\$ 13,740,000</u>	<u>\$ 11,190,000</u>	

Gross Receipts Tax Refunding Bonds, Series 2012

On November 11, 2012, the County issued \$5,235,837 of Gross Receipts Tax Refunding Revenue Bonds, Series 2012, with an average interest rate of 2.656%. The amount represents \$4,870,000 of principal and a premium of \$365,837, which will be amortized over the 16-year life of the bonds. The bonds consist of serial bonds bearing various fixed rates ranging from 2.00% to 4.00% with annual maturities from May 2013 through May 2029. The net proceeds of \$5,084,626 (after processing fees of \$151,211) were used to advance refund bonds with a total principal amount of \$4,970,000 and an average interest rate of 4.560%. The purchaser of the bonds, Southwest Securities, Inc., transferred \$5,080,943 representing the amount payable at closing less debt service reserve of \$3,683 to the Bank of Albuquerque, N.A. for Doña Ana County. The Bank transferred the net proceeds to the County to pay off the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the banks has been removed from the City's liabilities.

The advance refunding was done in order to reduce debt payments. Costs for the issuance of the new debt were \$113,000. The advance refunding transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$757,190.

Subordinate Lien Gross Receipts Tax Refunding Bonds Series 2014

On December 1, 2014, the County issued \$9,077,303 of Subordinate Lien Gross Receipts Tax Refunding Bonds Series 2014, with an average interest rate of 3.0%. The amount represents \$8,870,000 of principal plus a net original issue premium of \$262,114, which will be amortized over the 14-year life of the bonds, less an underwriting discount of \$54,811. The bonds consist of serial bonds bearing various fixed rates ranging from 2.00% to 4.00% with annual maturities from December 2014 through June 2029. The net proceeds of \$10,017,074 (which includes Series 2004A Reserve Fund of \$1,113,717 less processing fees of \$178,757), were used to advance refund bonds with a total principal amount of \$9,760,000 with an average interest rate of 4.560% and paying all costs

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incidental to the foregoing and incidental to the issuance of the bonds. The purchaser of the bonds Piper Jaffray & Co. transferred \$8,905,670 representing the amount payable at closing less debt service reserve of \$2,313 was transferred to the Bank of Albuquerque, N.A. for Doña Ana County. The Bank transferred the net proceeds that included an amount in the Series 2004A Reserve Fund to the Doña Ana County to pay off the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the banks has been removed from the City's liabilities.

The advance refunding was done in order to reduce debt payments. Costs for the issuance of the new debt was \$171,633. The advance refunding transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$1,050,051.

Future payment requirements on the governmental activities revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 825,000	\$ 344,625	\$ 1,169,625
2019	840,000	328,025	1,168,025
2020	855,000	308,325	1,163,325
2021	880,000	285,500	1,165,500
2022	905,000	259,025	1,164,025
2023-2027	5,025,000	798,131	5,823,131
2028-2029	1,860,000	3,326,713	5,186,713
Totals	<u>\$ 11,190,000</u>	<u>\$ 5,650,344</u>	<u>\$ 16,840,344</u>

Special Assessment District Bonds

In 2001, the County issued \$7,775,000 of Santa Teresa Improvement District bonds. Proceeds of the 2001 A Bonds were used to finance the acquisition of certain road improvements previously constructed in the Airport Road District. The 2001 A Bonds are secured by the pledge of certain special assessments secured by liens on property within the Airport Road District and money and securities on deposit in specified funds described in the 2001 A indenture. The 2001 B Bonds are secured by certain pledged property, including special assessments secured by liens on property with the Border Industrial Park District and money and securities on deposit in specified funds described in the 2001 B Indenture. The final maturity date is January 1, 2021. The interest rate for the 2001 A Bonds is 8.375% and 8.875% for the 2001 B Bonds.

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Future payment requirements on the governmental activities special assessment district bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 640,000	\$ 254,631	\$ 894,631
2019	695,000	198,731	893,731
2020	755,000	138,025	893,025
2021	620,000	72,069	692,069
Totals	<u>\$ 2,710,000</u>	<u>\$ 663,456</u>	<u>\$ 3,373,456</u>

Notes Payable

1. Prior to fiscal year 2000, the County had drawn \$676,528 against proceeds available from a \$799,266 loan granted by the State of New Mexico Environment Department for the purpose of developing a consolidated liquid waste treatment and disposal system. On September 10, 1999, the loan agreement was amended. Accrued construction interest of \$147,663 was rolled into the total disbursements to become part of the principal. The terms of the loan were amended March 12, 2001, providing for annual payments \$51,091 including interest calculated at a rate of 2% per annum, with the final payment due June 17, 2019. As of June 30, 2017, the balance is \$99,196 with repayments to be provided from general fund sources. Net revenues from the operation of the septic disposal facilities and environmental services gross receipts tax revenues are pledged as security.
2. In January 2008, the County and the City of Las Cruces were approved under New Mexico Finance Authority Project No. 1947-DW for loan proceeds of \$3,535,000 each to be used for the clean-up of the Griggs Walnut superfund site. The initial terms of the loan called for the funds to be fully drawn down by January 2011 with regular principal payments due beginning in June 2012. An extension was received in 2011 to allow for drawdown of the funds through June 2012. The terms of the note call for semi-annual principal payments through 2032, including semi-annual interest payments of 2% per annum. As of June 30, 2017, the balance of this note is \$1,190,408.
3. In July 2011, the County entered into a loan/grant agreement with the NM Finance Authority for the planning, design and construction of an arsenic treatment facility with a treatment capacity of approximately 3.4 million gallons of water per day in and around the Santa Teresa area. The terms of the agreement call for a grant from the NMFA for \$4,096,640 along with a loan totaling \$1,024,160. The interest/administrative fee on the note is 0.25% with a maturity date of June 1, 2031. The note principal, interest, and administrative fees will be paid for with pledged revenues

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from the net utility revenues of the Santa Teresa water and wastewater utility system. As of June 30, 2017, the balance is \$722,265 with repayments to be provided by the Camino Real Regional Utility Authority (CRRUA). The County has an agreement with CRRUA, stating that CRRUA will begin make payments on the debt incurred on September 12, 2014, for the formation of the arsenic treatment facility, but the debt will remain on the County's financial statements.

The future payments required for the three notes payable in governmental activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 168,700	\$ 25,792	\$ 194,492
2019	171,186	23,433	194,619
2020	122,628	21,027	143,655
2021	124,188	19,595	143,783
2022	125,777	18,134	143,911
2023-2027	653,772	67,711	721,483
2028-2031	645,618	26,546	672,164
Totals	<u>\$ 2,011,869</u>	<u>\$ 202,238</u>	<u>\$ 2,214,107</u>

Business-Type Activities

Revenue Bond

The County has one revenue bond to service in business-type activities.

Bond Description	Date of Issue	Due Date	Original Issue	Outstanding	Rates
Dona Ana County, NM Wastewater System improvement revenue bonds, Series 2013	9/19/2013	9/19/2053	\$ 343,000	\$ 325,000	2.13%

On September 19, 2013, the County issued Wastewater System Improvement Revenue Bonds Series 2013 in the amount of \$343,000 with an interest rate 2.125%. The gross bond proceeds of \$343,000 were used for improving the Chaparral Wastewater System. The bonds are payable and collectible solely from the net revenues derived from the operation of the County's Chaparral Wastewater System.

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Future payment requirements on the business-type activities revenue bond is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 6,000	\$ 6,900	\$ 12,900
2019	6,000	6,770	12,770
2020	6,000	6,650	12,650
2021	6,000	6,520	12,520
2022	6,000	6,390	12,390
2023-2027	35,000	29,840	64,840
2028-2032	38,000	26,040	64,040
2033-2037	42,000	21,830	63,830
2038-2042	47,000	17,170	64,170
2043-2047	52,000	11,960	63,960
2048-2052	58,000	6,180	64,180
2053-2054	23,000	710	23,710
Totals	<u>\$ 325,000</u>	<u>\$ 146,960</u>	<u>\$ 471,960</u>

Notes Payable

1. On June 30, 2003, the County entered into a loan agreement in the amount of \$5,400,000 with the New Mexico Environment Department. The loan proceeds are to be used to improve or construct a Sanitary Sewer System by constructing, extending, enlarging, repairing, and otherwise improving the County's wastewater collection system, conveyance, and treatment facilities. The loan calls for 20 annual payments of \$289,884 and interest is calculated at a rate of 2.0% per annum. The note matures on February 5, 2029. As of June 30, 2017, the balance is \$3,065,619.
2. On April 18, 2014, the County entered into a loan/grant agreement with the New Mexico Finance Authority for planning and design of the Montana Vista wastewater system improvements. The terms of the agreement call for a grant from the New Mexico Finance Authority of \$1,260,000 along with a loan of \$140,000 with no interest rate. The maturity date on the note is June 1, 2034. The note will be paid for with pledged revenues for the net utility revenues. As of June 30, 2017, the outstanding balance of the note to \$119,000 at June 30, 2017.
3. On May 2, 2014, the County entered into a loan/grant agreement with the New Mexico Finance Authority for the planning and design of the Chaparral Wastewater System improvements. The terms of the agreement call for a grant from the New Mexico Finance Authority of \$315,000 along with a loan totaling \$35,000 with no interest rate. The maturity date on the note is June 1, 2034. The note will be paid for with pledged revenues from the net utility revenues. As of June 30, 2017, this note had an outstanding balance of \$29,750.

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4. In March 2016, the County entered into a loan/grant agreement with the NM Finance Authority for the Colonias Infrastructure Project. The terms of the agreement call for a grant from the NMFA for \$900,000 along with a loan totaling \$89,050. The interest/administrative fee on the note is 0% with a maturity date of June 1, 2034. The note principal will be paid for with pledged revenues. As of June 30, 2017, the balance is \$84,363.

The future payments required for the business-type notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 242,008	\$ 47,959	\$ 289,967
2019	246,580	44,383	290,963
2020	251,243	40,735	291,978
2021	255,999	37,015	293,014
2022	260,850	33,221	294,071
2023-2027	1,380,483	106,474	1,486,957
2028-2032	630,011	13,251	643,262
2033-2035	31,558	-	31,558
Totals	<u>\$ 3,298,732</u>	<u>\$ 323,038</u>	<u>\$ 3,621,770</u>

6) Interfund Balances and Transfers

The County records interfund receivables/payables to reflect temporary loans between funds. The purpose of the loans was to cover cash shortages until grant reimbursements or other funding measures could be obtained. All interfund receivables/payables are expected to be repaid within one year. Interfund balances as of June 30, 2017, are as follows:

	Due From Other Funds	Due to Other Funds
Governmental funds		
General fund	\$ 12,598	\$ -
Nonmajor governmental funds		
Federal grants	-	517
Sheriff's grants-state	-	12,081
Total governmental funds	<u>\$ 12,598</u>	<u>\$ 12,598</u>

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The County records interfund transfers to reflect activity occurring between funds. Transfers and payments within the County are substantially for the purpose of subsidizing operating functions and funding various projects within the County. All transfers made during the year were considered routine and were consistent with the general characteristics of the County's transfer policy.

The composition of interfund transfers during the year ended June 30, 2017, was as follows:

	Transfers In	Transfers Out
Governmental Funds		
General fund	\$ 5,934,535	\$ 9,007,161
Nonmajor governmental funds	5,808,032	4,541,060
Total governmental funds	11,742,567	13,548,221
Enterprise Funds		
Chaparral Wastewater System	100,000	18,429
South Central Wastewater System	698,239	187,518
Nonmajor enterprise funds	605,206	302,366
Internal Service Fund - Fleet	4,250,000	3,339,478
Total enterprise funds	5,653,445	3,847,791
Total primary government	\$ 17,396,012	\$ 17,396,012

7) Commitments and Contingencies

The County receives significant financial assistance from federal and state grants and entitlements. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The County believes that any liabilities resulting from disallowed amounts will not have a material effect on the County's financial statements.

The County remains noncompliant with its state issued permits for the liquid waste facility in La Mesa, New Mexico. The New Mexico Environment Department is aware of this issue; however, as the County is aggressively trying to remedy the situation, it is not

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anticipated that any fines will be assessed. The County is currently completing the design phase of a construction project to remedy the situation. The County is seeking possible funding solutions for the construction phase.

There is also an issue with arsenic levels in southern Doña Ana County that could result in litigation between the State and the County. There may be EPA penalties, although an order has not been issued. The County believes their liability in this matter is minimal, but at this time is not determinable.

Commitments for construction projects in progress as of June 30, 2017, include:

Project Name	Total Cost	Amount Expended as of June 30, 2017	Percent Complete	Estimated Date of Completion
Countrywide Public Safety Simulcast System	\$ 2,144,300	\$ 1,320,916	62%	June 2018
New World Application System	1,824,885	1,108,459	61%	June 2018
Jail Control & CCTV NVR Security Video System	586,391	501,487	86%	June 2018
Detention Center X-Block Lift Station	336,820	35,104	10%	October 2017
Santa Teresa Jetport West Taxiway Phase 2	660,226	79,159	12%	March 2019
Spaceport Roads	440,000	21,516	5%	Open
Doña Ana School/El Camino Real Roads	517,269	42,252	8%	September 2017
Tortugas Road Drainage	960,000	536,630	56%	June 2018
Santa Teresa Airport/Industrial Roads/Hwy 136	8,330,334	40,268	0%	June 2019
McCombs Corridor Study/Road/Hermosa Lane	340,700	119,035	35%	June 2019
Santa Teresa Hazmat Facility	1,100,000	55,917	5%	June 2019
Chaparral Wastewater Collection System Phase 1C	1,550,000	1,000,497	65%	June 2020
	<u>\$ 18,790,925</u>	<u>\$ 4,861,240</u>		

Contingencies

In 2017, the County reached a settlement in a related to back pay for certain County employees, which resulted in a liability recorded in the County's general fund of approximately \$1.3 million. The County is expected to pay this out in fiscal year 2018.

In addition, during fiscal year 2018 the County established a self-funded medical benefit plan covering substantially all eligible employees. This plan was established to provide comprehensive medical coverage to County employees and their families. These transactions will be recorded in the County's general fund.

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8) Defined Benefit Pension Plan

Plan Description – Substantially all of the Doña Ana County’s full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA’s website at <http://www.pera.state.nm.us>.

Funding Policy – Plan members, other than law enforcement personnel and fire fighters, are required to contribute 14.65% of their gross salary. The County is required to contribute 75% of the 13.15% of the gross covered salary as well as a required matching contribution of 9.55% of general participant’s gross salary. The contribution rate is 17.80% of gross salaries for law enforcement participants (excluding detention employees). The County’s portion of law enforcement participants is 18.90% of gross salaries. Detention employees are considered general participants. The contribution rate for fire fighter members is 17.70%, and the County is required to contribute 21.65% of their gross salaries. The contribution requirements of plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature.

The County’s contributions to PERA for the following fiscal years is identified below, which equals the amount of the required contributions for each fiscal year.

	2017	2016	2015	2014
County contributions	\$ 6,274,311	\$ 6,279,359	\$ 5,610,674	\$ 5,611,612
Employee contributions	2,469,763	2,473,999	2,224,342	1,916,036
Total contributions	<u>\$ 8,744,074</u>	<u>\$ 8,753,358</u>	<u>\$ 7,835,016</u>	<u>\$ 7,527,648</u>

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA’s fiduciary net

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position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a *cost-sharing, multiple employer defined benefit pension plan*. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), 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 at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016.

Contributions. The contribution requirements of defined benefit plan members and the County 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 active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability.

Statutorily required contributions to the Municipal General Division, Municipal Police Division and Municipal Fire pension plans from the County were \$3,778,586 and

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employer paid member benefits that were “picked up” by the employer were \$2,495,725 for the year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ended June 30, 2016, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2016.

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 were performed separately for each of the membership groups.

The County’s proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016, were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to fiscal year 2016 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with 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.

For PERA Fund Division; Municipal General Division, As of June 30, 2017, the County reported a liability of \$45,592,523 for its proportionate share of the net pension liability. At June 30, 2016 and 2015, the County’s proportion was 2.85 percent and 2.72%, respectively.

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For the year ended June 30, 2017, the County recognized pension expense of \$5,151,412. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,277,990	\$ 444,957
Changes in assumptions	2,673,467	7,581
Net difference between projected and actual earnings on pension plan investments	8,388,938	-
Change in proportion and differences between County contributions and proportionate share of contributions	1,075,323	672,614
County contributions subsequent to the measurement date	<u>2,416,699</u>	<u>-</u>
Total	<u>\$ 16,832,417</u>	<u>\$ 1,125,152</u>

\$2,416,699 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date June 30, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 2,856,564
2019	2,856,564
2020	5,423,494
2021	<u>2,153,944</u>
	<u>\$ 13,290,566</u>

For PERA Fund Division; Municipal Police Division, As of June 30, 2017, the County reported a liability of \$23,140,555 for its proportionate share of the net pension liability. At June 30, 2016 and 2015, the County's proportion was 3.14 percent and 2.97%, respectively.

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For the year ended June 30, 2017, the County recognized pension expense of \$3,349,002. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,698,853	\$ -
Changes in assumptions	1,532,701	417,334
Net difference between projected and actual earnings on pension plan investments	3,659,812	-
Change in proportion and differences between County contributions and proportionate share of contributions	604,529	290,926
County contributions subsequent to the measurement date	<u>1,211,749</u>	<u>-</u>
Total	<u>\$ 8,707,644</u>	<u>\$ 708,260</u>

\$1,211,749 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date June 30, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 1,610,521
2019	1,610,521
2020	2,612,661
2021	<u>953,932</u>
	<u>\$ 6,787,635</u>

For PERA Fund Division; Municipal Fire Division, As of June 30, 2017, the County reported a liability of \$3,745,776 for its proportionate share of the net pension liability. At June 30, 2016 and 2015, the County's proportion was 0.56% percent and 0.58%, respectively.

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For the year ended June 30, 2017, the County recognized pension expense of \$475,576. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 169,626	\$ -
Changes in assumptions	198,137	-
Net difference between projected and actual earnings on pension plan investments	312,004	-
Change in proportion and differences between County contributions and proportionate share of contributions	43,476	60,158
County contributions subsequent to the measurement date	<u>150,138</u>	<u>-</u>
Total	<u>\$ 873,381</u>	<u>\$ 60,158</u>

\$150,138 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date June 30, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 188,310
2019	188,310
2020	207,411
2021	<u>79,054</u>
	<u>\$ 663,085</u>

Actuarial assumptions. 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, 2015, for each of the membership groups. The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2016. These assumptions were adopted by the Board for use in the June 30, 2015, actuarial valuation

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Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
– Investment rate of return	7.48% annual rate, net of investment expense
– Projected benefit payment	100 years
– Payroll growth	2.75% for first 10 years, then 3.25% annual rate
– Projected salary increases	2.75% to 14.00% annual rate
– Included inflation at	2.25% annual rate first 10 years, 2.75% all other years
– Morality Assumption	RP-2000 Morality Tables (Combined table for healthy post-retirements, 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 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:

All Funds – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	43.50 %	7.39 %
Risk reduction and mitigation	21.50 %	1.79 %
Credit oriented fixed income	15.00 %	5.77 %
Real assets to include real estate equity	20.0 %	7.35 %
Total	<u>100.0 %</u>	

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Discount rate: The rate is 7.25% for the first 10-years (select period) and 7.75% for all other years (ultimate). The equivalent blended rate is 7.48% and will be used as the discount rate used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the County's net pension liability in each Fund Division that the County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

PERA Fund Division	1% Decrease	Current Discount Rate	1% Increase
Municipal General Division	(6.48%)	(7.48%)	(8.48%)
County's proportionate share of the net pension liability	\$ 67,974,398	\$ 45,592,523	\$ 27,027,782

PERA Fund Division	1% Decrease	Current Discount Rate	1% Increase
Municipal Police Division	(6.48%)	(7.48%)	(8.48%)
County's proportionate share of the net pension liability	\$ 34,045,500	\$ 23,140,555	\$ 14,221,586

PERA Fund Division	1% Decrease	Current Discount Rate	1% Increase
Municipal Fire Division	(6.48%)	(7.48%)	(8.48%)
County's proportionate share of the net pension liability	\$ 4,899,455	\$ 3,745,776	\$ 2,798,148

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Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in PERA's audited comprehensive annual financial report and can be obtained at the following web address: <http://www.pera.org/financial-overview>.

Payables to the pension plan. As of June 30, 2017, the County has PERA employee/employer contributions payables reported in accrued payroll liabilities.

9) Deferred Compensation Plan

Doña Ana County offers its employees two separate deferred compensation plans created in accordance with Internal Revenue Code Section 457. The two plan are as follows:

- ♦ Nationwide Retirement Solutions, Inc. is the administrator and the County is the plan sponsor.
- ♦ The State of New Mexico Deferred Compensation Plan. The Public Employees Retirement Board of New Mexico serves in the role of plan trustee and uses a third party administrator to administer the plan.

The plans are available to all permanent County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees can voluntarily participate in one plan or both.

All amounts of compensation deferred pursuant to the plans, all property and rights purchased with such amounts, and all income attributable to such account, property, or rights shall be held for the exclusive benefit of participants and beneficiaries under the plans and shall be held in a trust, in an annuity contract, as defined in IRC Section 401(f), or in one or more custodial accounts.

Total employee contributions to the plans for the year ended June 30, 2017, were \$105,631 to Nationwide Retirement Solutions, Inc. and \$473,197 to the State of New Mexico Deferred Compensation Plan.

10) Medical Center-Providence Hospital (Telshor Facility)

In 1966 the County and the City adopted a joint resolution to create a joint county-municipal hospital to provide medical services to all of the citizens of Doña Ana County. The hospital was constructed and operated by the City and County through a Board of

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Trustees until 1998, when it was leased to Memorial Medical Center, Inc. (MMCI), a New Mexico not-for-profit corporation.

On June 1, 2004, the City, the County and MMCI, jointly terminated the lease. On that date, the City and County executed a 40-year lease agreement for the hospital facilities and equipment with PHC-Las Cruces, Inc. (PHC), a New Mexico corporation and a wholly-owned subsidiary of Province Healthcare Corporation, a Delaware corporation. In accordance with the lease agreement, PHC has deposited certain amounts into escrow accounts to cover certain contingencies of the hospital and paid certain hospital liabilities, including outstanding bonds. The lease transaction was recorded during fiscal year 2004.

The Regions Bank is the Escrow Agent for the County of Doña Ana and City of Las Cruces, New Mexico and Province Healthcare Company under agreement dated June 1, 2004, for Reps & Warranties Escrow. The balance at June 30, 2017, is \$8,013,096.68.

The proceeds of the PHC lease were reported in a sub-fund of the General Fund and the resulting equity has been reserved for health related programs and health related capital projects.

Pursuant to the Termination Agreement, MMCI began distributing its cash and investments equally between the County and the City in July 2004. MMCI retained cash to pay certain liabilities; any cash remaining at the end of the liquidation process will be distributed equally between the County and the City.

In addition, PHC made a one-time grant of \$5 million to Doña Ana County to be distributed in the sole discretion of the County and City to improve the integration of services provided by the clinics in the County operated by the federally qualified health center organizations, the hospital, and the existing family residency program and to expand the service hours of the same clinics. The grant is accounted for as deferred inflows of resources in the General Fund. The unexpended portion of the grant at June 30, 2017, is \$1,036,572.

11) Risk Management

Multi-Line Risk Pool

The County participates in the New Mexico Association of Counties insurance programs. The County's premium is re-determined every year, and is based on the County's loss experience over the previous three years.

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Limits of coverage through the risk pool are as follows:

\$150,000,000	All Risk Property
\$25,000,000	Earthquake and flood
\$2,000,000	Employee dishonesty and crime
\$2,000,000	Money and securities
\$5,000,000	Foreign Jurisdiction liability
\$255,000	Volunteer firefighters accident
\$40,000/\$100,000	Land use planning def.
\$100,000	Sheriff's volunteers accident policy
\$5,000,000	Law enforcement liability – Tort claim limit
\$50,000,000	Boiler and machinery
\$3,000,000	Environmental Liability Insurance
\$10,000,000	Injunctive Relief
\$10,000,000	Cyber Liability

Amount paid to New Mexico Association of Counties for the 2016/2017 fiscal year was \$4,402,204.

Commercial Insurance

Commercial liability insurance covers the County's airport operations up to \$10,000,000 per occurrence. There is no deductible. Premiums paid for 2016/2017 were \$3,000. In addition, the County maintains commercial liability policies for Accidental Death and Dismemberment of the County's Independent Fire Districts (premium paid of \$80,000) and Pollution and Remediation Legal Liability (premium paid of \$58,969 for a two-year policy).

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12) Deficit Net Position

The following fund incurred a deficit net position balance at June 30, 2017:

Fund	Fund Type	Amount
San Miguel Water System	Nonmajor enterprise fund	\$ (463)

Management intends to transfer sufficient funds from General Fund to cover any deficits.

13) Camino Real Regional Utility Authority

In years before fiscal year 2016, the County served as the fiscal agent for Camino Real Regional Utility Authority (CRRUA). In serving in that capacity previously, the County was contracted to provide multiple fiscal services, including enterprise information systems management services, risk management services, and human resources management services. However, in fiscal year 2016 this agreement was terminated and the County did not serve as CRRUA's fiscal agent. Beginning in fiscal year 2017, CRRUA has agreed to contract the County to once again serve as its fiscal agent. The original agreement was not amended, but was reinstated.

Two County Commissioners currently serve on the Board of Directors at CRRUA.

14) Recently Issued Accounting Pronouncements

The following accounting standards have recently been issued by the Governmental Accounting Standards Board (GASB), but are not yet effective at June 30, 2017, and have not yet been implemented by the County:

- ◆ GASB Statement No. 81, *Irrevocable Split-Interest Agreements*.
- ◆ GASB Statement No. 83, *Certain Asset Retirement Obligations*.
- ◆ GASB Statement No. 84, *Fiduciary Activities*.
- ◆ GASB Statement No. 85, *Omnibus 2017*.
- ◆ GASB Statement No. 86, *Certain Debt Extinguishment Issues*.
- ◆ GASB Statement No. 87, *Leases*.

The County has evaluated recently issued, but not yet effective, GASB pronouncements and will implement the new GASB pronouncements in the fiscal year no later than the

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required effective date. The County believes that the new GASB pronouncements will not have a significant financial impact to the County or in issuing its financial statements.

15) Restatement of Previously Reported Amounts

During fiscal year 2017, the County identified certain interfund capital asset transactions between the internal service fund and the governmental funds that were incorrectly recorded. This resulted in a restatement of beginning net position of the internal service fund from \$6,417,394 to \$3,335,042. This was a decrease in beginning net position of the internal service fund of \$3,082,352 as of July 1, 2016.

During fiscal year 2017, the County identified a nonmajor enterprise fund Las Palmeras Montana Vista Wastewater that was incorrectly recorded within South Central Wastewater System. This resulted in a restatement of beginning net position of the South Central Wastewater System from \$19,253,040 to \$18,818,203. In addition, this resulted in a restatement of beginning net position of Nonmajor Enterprise Funds from \$11,128,544 to \$11,563,381.

16) Tax Abatements

The County has two programs through which tax abatements programs as follows:

Industrial Revenue Bonds (IRB). This program is authorized via the County Industrial Revenue Bond Act, Section 4-59-1 through Section 4-59-16 NMSA 1978. IRBs authorize the County to acquire, own, lease or sell “projects” for the purpose of promoting industry and trade and for the purpose of inducing manufacturing, industrial and commercial enterprises to locate and expand in New Mexico. The IRBs also authorize the County to issue revenue bonds to finance the acquisition and/or construction of such projects. To qualify for this program the applicant must create new or preserve existing employment opportunities within the County, increase the County’s tax base, enhance and strengthen the County as a center for commerce and what upgrades and structure improvements will take place.

Commercial Personal Property Tax Abatement. This program is issued under New Mexico’s Community Development Incentive Act, Statue 3-64-1 through 3-64-5 NMSA 1978 to Sun Edison. Organizations may request these incentives by qualifying for this Act. The County does not have an independent policy for creating such abatements. The purpose is to promote trade, industry, and other forms of economic

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development. The abatement is based on the 1/3 taxable value verse the mill rates set by the Department of Finance and Administration.

The three IRB and the one Commercial Personal Property Tax Abatement programs are described in the tables below:

MONARCH LITHO INC.	
Agency Number	5007
Agency Name	Doña Ana County
Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond (IRB)
Recipient(s) of tax abatement	Monarch Litho Inc.
Parent company(ies) of recipient(s) of tax abatement	None
Tax abatement program (name and brief description)	Industrial Revenue Bonds: Are a type of loan issued by Doña Ana County to assist a private company that might otherwise be unable to obtain financing for its industrial venture or unwilling to undertake the project on its own. The County's goal in providing the debt securities is to improve the economic and employment conditions of the Santa Teresa region.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Legal authority under which tax abatement agreement was entered into	Board of County Commissioners of Doña Ana County.
Criteria that make a recipient eligible to receive a tax abatement	A project that will promote the local health, general welfare, safety, convenience and prosperity of the inhabitants of the County.

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MONARCH LITHO INC.	
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	The property was deeded over to Doña Ana County (DAC), therefore stopping the tax bill to Monarch Litho. Instead of paying yearly taxes the company, based on the contract will make a yearly PILOT payment. Monarch Litho will pay a yearly administrative fee of \$1,500 and a PILOT payment to both DAC and Gadsden Independent School District.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	The tax abatement is determined based on Resolution No. 2010-71. Based on the "County Industrial Revenue Bond Act," Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act. The amount of tax abatement is the entire tax liability until the bond is paid in full.
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	None
List each specific commitment made by the recipient of the abatement.	Monarch Litho Inc. will build a 75,000 square foot facility, followed by two 75,000 square foot expansions within a five year phase. The facility will be used for the Company's commercial printing operations. Create a total of 180 jobs with a cumulative payroll of \$4,454,400 for the first 10 years of the Bond Issuance.

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MONARCH LITHO INC.	
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.	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$46,059.59.
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 supposed to receive the payment	The IRB was authorized by the Doña Ana County Board of County Commissioners. PILOT payments will be made to both Doña Ana County and Gadsden Independent School District. Based on the lease agreement and the tax rates.
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	Doña Ana County received the following from Monarch Litho: PILOT \$26,894.69.
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	Gadsden Independent School District received the following from Monarch Litho: PILOT \$37,508.26.
List each specific commitment made by your agency or any other government, other than the tax abatement.	None

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MONARCH LITHO INC.	
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 agency.	Yes, Gadsden Independent School District.
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Gadsden Independent School District
Agency number of Affected Agency	None
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Monarch Litho Inc.

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MONARCH LITHO INC.	
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$64,712.21.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$37,508.26.
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County

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MONARCH LITHO INC.	
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	State of New Mexico
Agency number of Affected Agency	None
Agency type of Affected Agency	State of New Mexico
Recipient(s) of tax abatement	Monarch Litho Inc.
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$5,295.28.

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MONARCH LITHO INC.	
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Doña Ana Branch Community College
Agency number of Affected Agency	None
Agency type of Affected Agency	Doña Ana Branch Community College
Recipient(s) of tax abatement	Monarch Litho Inc.

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MONARCH LITHO INC.	
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$4,866.99
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County

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MONARCH LITHO INC.	
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Doña Ana County Flood Commission
Agency number of Affected Agency	None
Agency type of Affected Agency	Flood Commission
Recipient(s) of tax abatement	Monarch Litho Inc.
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$4,773.54.

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MONARCH LITHO INC.	
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None

NRG SOLAR ROADRUNNER HOLDINGS, LLC	
Agency Number	5007
Agency Name	Doña Ana County
Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond (IRB)
Recipient(s) of tax abatement	NRG Solar Roadrunner Holdings, LLC.
Parent company(ies) of recipient(s) of tax abatement	NRG Energy Inc.
Tax abatement program (name and brief description)	Industrial Revenue Bonds: Are a type of loan issued by Doña Ana County to assist a private company that might otherwise be unable to obtain financing for its industrial venture or unwilling to undertake the project on its own. The County's goal in providing the debt securities is to improve the economic and employment conditions of the Santa Teresa region.

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Legal authority under which tax abatement agreement was entered into	Board of County Commissioners of Doña Ana County.
Criteria that make a recipient eligible to receive a tax abatement	A project that will promote the local health, general welfare, safety, convenience and prosperity of the inhabitants of the County.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	The property was deeded over to DAC, therefore stopping the tax bill to NRG Solar. Instead of paying yearly taxes the company, based on the contract will make a yearly PILOT payment until the bond is paid in full. NRG Solar will pay a yearly administrative fee of \$10,000 and a PILOT payment to DAC of \$47,000 and a PILOT payment to Gadsden School District of \$67,000.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	The tax abatement is determined based on Resolution No. 2010-71. Based on the "County Industrial Revenue Bond Act," Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act. The amount of tax abatement is the entire tax liability until the bond is paid in full.
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
List each specific commitment made by the recipient of the abatement.	NRG Solar will develop a photovoltaic solar power generating facility and provide jobs to the local community.
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.	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$3,102.27
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 supposed to receive the payment	The IRB was authorized by the Doña Ana County Board of County Commissioners. PILOT payments in the amount of \$47,000 are to be paid to Doña Ana County and \$67,000 to Gadsden Independent School District.
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency in association with the foregone tax revenue</u>, list the amount of payments received in the current fiscal year	Doña Ana County received the following from NGR Solar: PILOT \$47,000 Admin Fee \$10,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency in association with the foregone tax revenue</u>, list the name of the agency and the amount of payments received in the current fiscal year	Gadsden Independent School District (GISD) should be receiving \$67,000 in PILOT payment. GISD bills NRG Solar directly.
List each specific commitment made by your agency or any other government, other than the tax abatement.	None

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
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 agency.	Yes, Gadsden Independent School District.
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Gadsden Independent School District
Agency number of Affected Agency	None
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	NRG Solar Roadrunner Holdings, LLC.

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$4,101.37
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	The IRB was authorized by the Doña Ana County Board of County Commissioners. PILOT payments in the amount of \$47,000 are to be paid to Doña Ana County and \$67,000 to Gadsden Independent School District.
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Doña Ana Branch Community College
Agency number of Affected Agency	None
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	NRG Solar Roadrunner Holdings, LLC.
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$305.13
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	State of New Mexico
Agency number of Affected Agency	None
Agency type of Affected Agency	State of New Mexico

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
Recipient(s) of tax abatement	NRG Solar Roadrunner Holdings, LLC.
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$331.98
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None
Agency number for Agency making the disclosure (Abating Agency)	5007

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
Abating Agency Name	Doña Ana County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Doña Ana County Flood Commission
Agency number of Affected Agency	None
Agency type of Affected Agency	Doña Ana County Flood Commission
Recipient(s) of tax abatement	NRG Solar Roadrunner Holdings, LLC.
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$299.27.

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NRG SOLAR ROADRUNNER HOLDINGS, LLC	
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None

MCS REALTY PARTNERS, LLC	
Agency Number	5007
Agency Name	Doña Ana County
Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond (IRB)
Recipient(s) of tax abatement	MCS Realty Partners, LLC.
Parent company(ies) of recipient(s) of tax abatement	None
Tax abatement program (name and brief description)	Industrial Revenue Bonds: Are a type of loan issued by Doña Ana County to assist a private company that might otherwise be unable to obtain financing for its industrial venture or unwilling to undertake the project on its own. The County's goal in providing the debt securities is to improve the economic and employment conditions of the Santa Teresa region.

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MCS REALTY PARTNERS, LLC	
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Legal authority under which tax abatement agreement was entered into	Board of County Commissioners of Doña Ana County.
Criteria that make a recipient eligible to receive a tax abatement	A project that will promote the local health, general welfare, safety, convenience and prosperity of the inhabitants of the County.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	The property was deeded over to DAC, therefore stopping the tax bill to MCS Realty Partners, LLC. Instead of paying yearly taxes the company, based on the contract will make a yearly PILOT payment. MCS Realty Partners, LLC will pay a yearly administrative fee of \$5,000 and a PILOT payment of 25% of the property tax abated to DAC.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	The tax abatement is determined based on Resolution No. 2010-71. Based on the "County Industrial Revenue Bond Act," Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act. The amount of tax abatement is the entire tax liability until the bond is paid in full.
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A

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MCS REALTY PARTNERS, LLC	
List each specific commitment made by the recipient of the abatement.	MCS Realty Partners, LLC Inc. will acquire land and buildings located in the County with it affiliate MCS Industries, Inc. for their operations relating to the distribution and manufacturing of framing and related products.
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.	Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$5.00. At the time of the assessment the land was classified as Agricultural/Grazing land without a building.
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 supposed to receive the payment	The IRB was authorized by the Doña Ana County Board of County Commissioners. PILOT payments will be made to both Doña Ana County and Gadsden Independent School District based on the lease agreement.
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	Doña Ana County received the following from MCS Realty: PILOT \$29,662 Admin Fee \$5,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	N/A

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MCS REALTY PARTNERS, LLC	
List each specific commitment made by your agency or any other government, other than the tax abatement.	None
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 agency.	No
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Gadsden Independent School District
Agency number of Affected Agency	None
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	MCS Realty Partners, LLC.

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MCS REALTY PARTNERS, LLC	
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	At the time of the assessment the land was classified as farm land without a building. Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$0.21.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County

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MCS REALTY PARTNERS, LLC	
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	State of New Mexico
Agency number of Affected Agency	None
Agency type of Affected Agency	State Government
Recipient(s) of tax abatement	State of New Mexico
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	At the time of the assessment the land was classified as farm land without a building. Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$0.02.

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MCS REALTY PARTNERS, LLC	
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Doña Ana Branch Community College
Agency number of Affected Agency	None
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	Doña Ana Branch Community College

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MCS REALTY PARTNERS, LLC	
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	At the time of the assessment the land was classified as farm land without a building. Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$0.02.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None
Agency number for Agency making the disclosure (Abating Agency)	5007
Abating Agency Name	Doña Ana County

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MCS REALTY PARTNERS, LLC	
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Doña Ana County Flood Commission
Agency number of Affected Agency	None
Agency type of Affected Agency	Flood Commission
Recipient(s) of tax abatement	Doña Ana County Flood Commission
Tax abatement program (name and brief description)	Industrial Revenue Bonds. Based on the “County Industrial Revenue Bond Act,” Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Doña Ana County, New Mexico to issue industrial development bonds and to acquire projects as defined in the Act.
Specific Tax(es) Being Abated	100% of real and personal property taxes to be abated during bond term.
Authority under which abated tax would have been paid to Affected Agency	Board of County Commissioners of Doña Ana County.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	At the time of the assessment the land was classified as farm land without a building. Based on the Doña Ana County tax rate table for 2016 the amount of tax abatement is \$0.02.

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MCS REALTY PARTNERS, LLC	
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	None

SUNEDISON	
Agency Number	5007
Agency Name	Doña Ana County
Agency Type	Local Government
Tax Abatement Agreement Name	Commercial Personal Property Tax Abatement for SUNE EPE2, LLC
Recipient(s) of tax abatement	SunEdison
Parent company(ies) of recipient(s) of tax abatement	SunE EPE2, LLC
Tax abatement program (name and brief description)	Tax Abatement Agreement is a Commercial/Personal property tax abatement for SunEdison. Property tax due to Dona Ana County is abated at 100% for a term of 10 years as of 2012.
Specific Tax(es) Being Abated	Property Tax : County Operational and County Debt Service

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SUNEDISON	
Legal authority under which tax abatement agreement was entered into	New Mexico's Community Development Incentive Act. Statute 3-64-1 through 3-64-5 NMSA 1978
Criteria that make a recipient eligible to receive a tax abatement	Promotes trade, industry, and other forms of economic development.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	The agency (DAC) does not collect property taxes from the recipient (SunEdison) for a 10 year period.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	The Abatement is based on the 1/3 taxable value vs the mill rates set by the Department of Finance and Administration. The Dona Ana County operational and Debt Service Levies are abated from the Tax Bill.
Are there provisions for recapturing abated taxes? (Yes or No)	YES
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	Clawback: "In the event that the Project permanently ceases operation prior to the date that is twenty-five (25) years after the commencement of commercial operations of the Project, commercial personal property taxes that were previously abated...shall become due and payable on a proportionate basis."
List each specific commitment made by the recipient of the abatement.	SunEdison intends to construct and operate in the County as a new business facility, an approximately 12 megawatt (MW) photovoltaic generating station.
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.	Dona Ana County Property Tax Abatement: \$131,988.30

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SUNEDISON	
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 supposed to receive the payment	N/A
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by a different agency</u> in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	N/A
List each specific commitment made by your agency or any other government, other than the tax abatement.	None
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 agency.	Yes, The City of Las Cruces

State of New Mexico
Doña Ana County
Notes to Financial Statements
June 30, 2017

SUNEDISON	
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None

In addition, the County is an affected agency in the Tax Increment Development District (TIDD) program. This program is facilitated by the City of Las Cruces. The County's gross receipts and property tax revenue for fiscal year 2017 were reduced by \$89,036.

Supplementary Information

State of New Mexico
Doña Ana County
Combining and Individual Fund Financial Statements and Schedules
Nonmajor Governmental Fund Descriptions
For the Year Ended June 30, 2017

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Nonmajor special revenue funds consist of the following:

Community Services – To provide funding for a variety of County construction and renovation projects. Financing is provided by special appropriation from the New Mexico State Legislature. This fund has been established to comply with the accountability requirements of the grant agreements.

County Clerk Equipment/Records – To account for the operations of the county clerk pursuant to NMSA 1978 Section 14-8-12.2.

County Treasurer Fees – To account for fees collected by the Treasurer’s office for employee training and equipment. Created by County Commission Resolution 30-54.

Environmental GRT – To account for gross receipts taxes collected/disbursed by the NM Taxation and Revenue Department to be used for environmental related projects.

Federal Grants – To account for federal reimbursements related to the Detention Center.

Housing Grant – NMFA – The Mortgage Finance Authority will facilitate the rehabilitation, reconstruction, or new construction of 17 homes in any New Mexico designated Colonias neighborhood.

DWI Grants – The DWI program partners with many entities that include law enforcement, MADD, National Guard, Safe Kids, private businesses and more, to combat the high DWI rate in Doña Ana County. Funding is provided by the U.S. Department of Justice. This fund has been established in accordance with 28 CFR 66.20.

Colonia’s Initiative – To account for the activities of the County to improve the quality of life for residents of the Colonias of Doña Ana County. Colonias are defined as communities within 150 miles of the U.S./Mexico border that lack one or more of the following: potable water, centralized sewer system, safe, sanitary, and decent housing, and improved roads.

Sheriff’s Grants State – Various grants to enable the Sheriff’s Department in their goals to reduce crime and improve public safety.

Civil Preparedness – To account for state grant funding thru the NM Department of Homeland Security for public safety initiatives in support of civil preparedness for disasters.

Correction Fees – To account for fees collected by the magistrate court and the motor vehicle division and distributed by the state Administrative Office of the Courts to the County, pursuant to NMSA 1978 Section 33-3-25. The fund restricted to paying costs of the county jailor juvenile detention facility.

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

State of New Mexico
Doña Ana County
Combining and Individual Fund Financial Statements and Schedules
Nonmajor Governmental Fund Descriptions — continued
For the Year Ended June 30, 2017

Nonmajor Special Revenue Funds — continued

Farm and Range – In accordance with NMSA Section 6-11-5/6 -To provide for the Fish and Wildlife Service in control of predator animals. Funding is from the Taylor Grazing Act.

Health Services Fund – To account for the activities of the County’s indigent health care, which provides services to the residents of the County for local health services.

Crisis Triage Center – To account for funds committed by County Commission Resolution 2011-81 for the support of a County crisis triage center.

Indigent Hospital Care – In accordance with NMSA Section 7-20E-9, accounts for hospital expenditures for County indigents. Funds are provided through local gross receipts tax.

Reappraisal Administrative Fees – In accordance with NMSA 7-38-38.1 - To account for countywide reappraisal funding and expenditures.

Confiscated Assets – In accordance with NMSA Section 54-11-33 - To account for the Doña Ana County Sheriffs confiscated asset program related directly to its drug interdiction program. The program was established through a joint powers agreement between Doña Ana County Sheriff’s department and the U.S. Drug Enforcement Agency. Required by Federal Equitable sharing agreement between the Sheriff’s Department and U.S. Departments of Justice and Treasury.

Law Enforcement Protection – In accordance with NMSA Section 29-13 - To account for expenditures of the sheriff’s department. Financing is provided by the State.

Emergency Medical Services – In accordance with NMSA Section 7-24-10A -To account for the operation and maintenance of Rural Metro Ambulance Service, Hatch Clinic, and various volunteer fire districts. Funding is from the State Emergency Medical Fund Act. State Law requires that financing be provided in this manner.

State of New Mexico
Doña Ana County
Combining and Individual Fund Financial Statements and Schedules
Nonmajor Governmental Fund Descriptions — continued
For the Year Ended June 30, 2017

Nonmajor Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Nonmajor capital projects funds consist of the following:

Airport FAA Projects – To account for the cost of developing airports in the County.

Wastewater Projects/Grants – To account for costs of the water system improvements.

Utility Projects – To account for costs of construction of the wastewater system with state funding.

HH Capital Projects – To account for costs of construction as part of an affordable housing plan.

E-911 Emergency Dispatch Center – To account for the costs related to the construction of the 911 call center.

Chaparral Wastewater – R.U.S. – To account for costs of the construction of the wastewater system with state funding.

Nonmajor Debt Service Fund

The debt service fund accounts for accumulation of resources for, and the payment of governmental fund debt principal and interest.

State of New Mexico
Doña Ana County
Combining Balance Sheet
Nonmajor Governmental Funds
As of June 30, 2017

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 9,621,559	\$ 2,569,612	\$ 3,501,090	\$ 15,692,261
Receivables, net				
Accounts	219,547	-	-	219,547
Taxes	2,065,470	-	40,699	2,106,169
Intergovernmental	726,488	81,255	-	807,743
Interest and other	4,339	-	22,220	26,559
Total assets	<u>\$ 12,637,403</u>	<u>\$ 2,650,867</u>	<u>\$ 3,564,009</u>	<u>\$ 18,852,279</u>
Liabilities				
Accounts payable	\$ 578,835	\$ 232,498	\$ -	\$ 811,333
Accrued payroll liabilities	54,744	-	-	54,744
Accrued interest payable	-	-	215,166	215,166
Due to other funds	12,598	-	-	12,598
Total liabilities	<u>646,177</u>	<u>232,498</u>	<u>215,166</u>	<u>1,093,841</u>
Deferred Inflows of Resources				
Property taxes	-	-	36,933	36,933
Unavailable revenue	161,453	-	-	161,453
Total deferred inflows of resources	<u>161,453</u>	<u>-</u>	<u>36,933</u>	<u>198,386</u>
Fund Balances				
Restricted	10,076,569	69,065	3,311,910	13,457,544
Committed	1,606,332	2,349,304	-	3,955,636
Assigned	146,872	-	-	146,872
Total fund balances	<u>11,829,773</u>	<u>2,418,369</u>	<u>3,311,910</u>	<u>17,560,052</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,637,403</u>	<u>\$ 2,650,867</u>	<u>\$ 3,564,009</u>	<u>\$ 18,852,279</u>

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

State of New Mexico
Doña Ana County
Combining Statement of Revenues, Expenditures, and Change in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ 450,531	\$ 450,531
General sales and use taxes	13,799,338	-	-	13,799,338
Penalties and interest	30,464	-	-	30,464
Intergovernmental revenue - state	2,253,853	103,877	-	2,357,730
Intergovernmental revenue - federal	1,486,250	1,126,776	-	2,613,026
Charges for services	874,934	-	-	874,934
Contributions/donations	167,899	-	-	167,899
Investment earnings	82,484	89	2,253	84,826
Other revenue	312,458	207,499	2,772,656	3,292,613
Total revenues	<u>19,007,680</u>	<u>1,438,241</u>	<u>3,225,440</u>	<u>23,671,361</u>
Expenditures				
Current				
General government	1,324,430	-	-	1,324,430
Public safety	3,368,461	-	-	3,368,461
Public works	40,320	345,291	-	385,611
Health and welfare	10,282,187	-	-	10,282,187
Sanitation	83,278	-	-	83,278
Community development	299,367	-	-	299,367
Debt service				
Principal	-	-	1,635,000	1,635,000
Interest	-	-	846,433	846,433
Fiscal agent fees	-	-	3,194	3,194
Capital outlay	1,366,190	2,397,532	-	3,763,722
Total expenditures	<u>16,764,233</u>	<u>2,742,823</u>	<u>2,484,627</u>	<u>21,991,683</u>
Excess (deficiency) of revenues over expenditures	<u>2,243,447</u>	<u>(1,304,582)</u>	<u>740,813</u>	<u>1,679,678</u>
Other Financing Sources (Uses)				
Transfers in	2,329,197	2,301,178	1,177,658	5,808,033
Transfers out	<u>(4,541,060)</u>	<u>-</u>	<u>-</u>	<u>(4,541,060)</u>
Total other financing sources (uses)	<u>(2,211,863)</u>	<u>2,301,178</u>	<u>1,177,658</u>	<u>1,266,973</u>
Net change in fund balances	31,584	996,596	1,918,471	2,946,651
Fund balances, beginning of year	<u>11,798,189</u>	<u>1,421,773</u>	<u>1,393,439</u>	<u>14,613,401</u>
Fund balances, end of year	<u>\$ 11,829,773</u>	<u>\$ 2,418,369</u>	<u>\$ 3,311,910</u>	<u>\$ 17,560,052</u>

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

State of New Mexico
Doña Ana County
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of June 30, 2017

	10008 Community Services	10010 County Clerk Equipment Recording	10025 County Treasurer's Fees	10050 Environmental GRT	21135 Federal Grants	21241 Housing Grants	22251 DWI Grants
Assets							
Cash and cash equivalents	\$ -	\$ 313,622	\$ 15,397	\$ 77,377	\$ -	\$ 5,380	\$ 427,158
Receivables, net							
Accounts	96,738	-	-	-	-	-	-
Taxes	-	-	-	138,813	-	-	-
Intergovernmental	-	-	-	-	110,144	-	75,587
Interest and other	-	142	7	120	-	-	-
Total assets	<u>\$ 96,738</u>	<u>\$ 313,764</u>	<u>\$ 15,404</u>	<u>\$ 216,310</u>	<u>\$ 110,144</u>	<u>\$ 5,380</u>	<u>\$ 502,745</u>
Liabilities							
Accounts payable	\$ 2,145	\$ 2,809	\$ 714	\$ -	\$ 64,442	\$ 2,884	\$ 21,252
Accrued payroll liabilities	-	-	-	-	1,644	-	11,366
Due to other funds	-	-	-	-	517	-	-
Total liabilities	<u>2,145</u>	<u>2,809</u>	<u>714</u>	<u>-</u>	<u>66,603</u>	<u>2,884</u>	<u>32,618</u>
Deferred Inflows of Resources	<u>19,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,496</u>	<u>-</u>
Fund Balances							
Restricted	75,077	310,955	-	216,310	43,541	-	470,127
Committed	-	-	14,690	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>75,077</u>	<u>310,955</u>	<u>14,690</u>	<u>216,310</u>	<u>43,541</u>	<u>-</u>	<u>470,127</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 96,738</u>	<u>\$ 313,764</u>	<u>\$ 15,404</u>	<u>\$ 216,310</u>	<u>\$ 110,144</u>	<u>\$ 5,380</u>	<u>\$ 502,745</u>

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

State of New Mexico
Doña Ana County
Combining Balance Sheets
Nonmajor Special Revenue Funds — continued
As of June 30, 2017

	23120 Colonia's Initiative	23300 Sheriff's Grants - State	25110 Civil Preparedness - State	25115 Corrections Fees	25120 Farm and Range	25140 Health Services (SLIAG)	25144 Crisis Triage Center
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ 157,482	\$ 511,960	\$ 7,637	\$ 3,746,579	\$ 1,591,249
Receivables, net							
Accounts	-	-	-	122,809	-	-	-
Taxes	-	-	-	-	-	897,996	-
Intergovernmental	65,889	378,260	96,608	-	-	-	-
Interest and other	-	-	100	231	-	1,807	719
Total assets	<u>\$ 65,889</u>	<u>\$ 378,260</u>	<u>\$ 254,190</u>	<u>\$ 635,000</u>	<u>\$ 7,637</u>	<u>\$ 4,646,382</u>	<u>\$ 1,591,968</u>
Liabilities							
Accounts payable	\$ -	\$ 5,746	\$ -	\$ 54,574	\$ -	\$ 104,324	\$ 326
Accrued payroll liabilities	-	8,194	-	-	-	21,046	-
Due to other funds	-	12,081	-	-	-	-	-
Total liabilities	<u>-</u>	<u>26,021</u>	<u>-</u>	<u>54,574</u>	<u>-</u>	<u>125,370</u>	<u>326</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>16,957</u>	<u>-</u>	<u>-</u>	<u>122,484</u>	<u>-</u>
Fund Balances							
Restricted	65,889	352,239	237,233	580,426	7,637	4,251,656	-
Committed	-	-	-	-	-	-	1,591,642
Assigned	-	-	-	-	-	146,872	-
Total fund balances	<u>65,889</u>	<u>352,239</u>	<u>237,233</u>	<u>580,426</u>	<u>7,637</u>	<u>4,398,528</u>	<u>1,591,642</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 65,889</u>	<u>\$ 378,260</u>	<u>\$ 254,190</u>	<u>\$ 635,000</u>	<u>\$ 7,637</u>	<u>\$ 4,646,382</u>	<u>\$ 1,591,968</u>

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

State of New Mexico
Doña Ana County
Combining Balance Sheets
Nonmajor Special Revenue Funds — continued
As of June 30, 2017

	25145 Indigent Hospital Care	25150 Reappraisal Administrative Fees	25210 Confiscated Assets	25230 Law Enforcement Protection	Emergency Medical Services	Total
Assets						
Cash and cash equivalents	\$ 1,547,391	\$ 1,109,257	\$ 65,564	\$ 1,208	\$ 44,298	\$ 9,621,559
Receivables, net						
Accounts	-	-	-	-	-	219,547
Taxes	1,028,661	-	-	-	-	2,065,470
Intergovernmental	-	-	-	-	-	726,488
Interest and other	700	502	-	-	11	4,339
Total assets	<u>\$ 2,576,752</u>	<u>\$ 1,109,759</u>	<u>\$ 65,564</u>	<u>\$ 1,208</u>	<u>\$ 44,309</u>	<u>\$ 12,637,403</u>
Liabilities						
Accounts payable	\$ 183,657	\$ 70,345	\$ 60,530	\$ -	\$ 5,087	\$ 578,835
Accrued payroll liabilities	880	11,298	316	-	-	54,744
Due to other funds	-	-	-	-	-	12,598
Total liabilities	<u>184,537</u>	<u>81,643</u>	<u>60,846</u>	<u>-</u>	<u>5,087</u>	<u>646,177</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,453</u>
Fund Balances						
Restricted	2,392,215	1,028,116	4,718	1,208	39,222	10,076,569
Committed	-	-	-	-	-	1,606,332
Assigned	-	-	-	-	-	146,872
Total fund balances	<u>2,392,215</u>	<u>1,028,116</u>	<u>4,718</u>	<u>1,208</u>	<u>39,222</u>	<u>11,829,773</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,576,752</u>	<u>\$ 1,109,759</u>	<u>\$ 65,564</u>	<u>\$ 1,208</u>	<u>\$ 44,309</u>	<u>\$ 12,637,403</u>

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

State of New Mexico
Doña Ana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	10008 Community Services	10010 County Clerk Equipment Recording	10025 County Treasurer's Fees	10050 Environmental GRT	21135 Federal Grants	21241 Housing Grants	22251 DWI Grants
Revenues							
Taxes							
General sales and use taxes	\$ -	\$ -	\$ -	\$ 810,259	\$ -	\$ -	\$ -
Penalties and interest	-	-	-	-	-	-	30,464
Intergovernmental sources – federal	99,807	-	-	-	-	17,649	1,047,286
Intergovernmental sources – state	-	-	-	-	282,134	-	-
Charges for services	-	275,148	1,505	-	-	-	211,455
Contributions/donations	-	-	-	-	-	-	-
Investment earnings	-	2,955	131	1,339	-	-	-
Other revenue	12	1,947	-	-	132	-	83,366
Total revenues	<u>99,819</u>	<u>280,050</u>	<u>1,636</u>	<u>811,598</u>	<u>282,266</u>	<u>17,649</u>	<u>1,372,571</u>
Expenditures							
Current							
General government	-	224,976	3,775	-	-	-	-
Public safety	-	-	-	-	-	-	1,296,728
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Sanitation	83,278	-	-	-	-	-	-
Community development	-	-	-	-	282,178	17,189	-
Capital outlay	20,456	54,846	-	-	-	-	-
Total expenditures	<u>103,734</u>	<u>279,822</u>	<u>3,775</u>	<u>-</u>	<u>282,178</u>	<u>17,189</u>	<u>1,296,728</u>
Excess (deficiency) of revenues over expenditures	<u>(3,915)</u>	<u>228</u>	<u>(2,139)</u>	<u>811,598</u>	<u>88</u>	<u>460</u>	<u>75,843</u>
Other Financing Sources (Uses)							
Transfers in	72,962	-	-	-	42,721	-	-
Transfers out	-	-	-	(740,000)	-	-	-
Total other financing sources (uses)	<u>72,962</u>	<u>-</u>	<u>-</u>	<u>(740,000)</u>	<u>42,721</u>	<u>-</u>	<u>-</u>
Net change in fund balances	69,047	228	(2,139)	71,598	42,809	460	75,843
Fund balances (deficits), beginning of year	6,030	310,727	16,829	144,712	732	(460)	394,284
Fund balances, end of year	<u>\$ 75,077</u>	<u>\$ 310,955</u>	<u>\$ 14,690</u>	<u>\$ 216,310</u>	<u>\$ 43,541</u>	<u>\$ -</u>	<u>\$ 470,127</u>

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

State of New Mexico
Doña Ana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds — continued
For the Year Ended June 30, 2017

	23120 Colonia's Initiative	23300 Sheriff's Grants - State	25110 Civil Preparedness	25115 Corrections Fees	25120 Farm and Range	25140 Health Services (SLIAG)	25144 Crisis Triage Center
Revenues							
Taxes							
General sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,066,155	\$ -
Penalties and interest	-	-	-	-	-	-	-
Intergovernmental sources – federal	172,892	30,489	249,363	-	-	476,621	-
Intergovernmental sources – state	-	1,032,818	171,298	-	-	-	-
Charges for services	-	-	-	371,723	15,103	-	-
Contributions/donations private services	-	48,678	-	-	-	1,021	-
Investment earnings	-	-	1,260	5,833	77	22,016	13,039
Other revenue	-	107,736	-	-	-	8,405	-
Total revenues	<u>172,892</u>	<u>1,219,721</u>	<u>421,921</u>	<u>377,556</u>	<u>15,180</u>	<u>6,574,218</u>	<u>13,039</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	1,035,447	173,484	227,721	35,500	-	-
Public works	40,320	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	4,812,107	8,148
Sanitation	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Capital outlay	139,119	173,741	-	516,987	-	26,957	-
Total expenditures	<u>179,439</u>	<u>1,209,188</u>	<u>173,484</u>	<u>744,708</u>	<u>35,500</u>	<u>4,839,064</u>	<u>8,148</u>
Excess (deficiency) of revenues over expenditures	<u>(6,547)</u>	<u>10,533</u>	<u>248,437</u>	<u>(367,152)</u>	<u>(20,320)</u>	<u>1,735,154</u>	<u>4,891</u>
Other Financing Sources (Uses)							
Transfers in	57,372	185,139	-	-	25,000	1,946,003	-
Transfers out	-	-	(255,057)	-	-	(1,000,000)	-
Total other financing sources (uses)	<u>57,372</u>	<u>185,139</u>	<u>(255,057)</u>	<u>-</u>	<u>25,000</u>	<u>946,003</u>	<u>-</u>
Net change in fund balances	50,825	195,672	(6,620)	(367,152)	4,680	2,681,157	4,891
Fund balances, beginning of year	15,064	156,567	243,853	947,578	2,957	1,717,371	1,586,751
Fund balances, end of year	<u>\$ 65,889</u>	<u>\$ 352,239</u>	<u>\$ 237,233</u>	<u>\$ 580,426</u>	<u>\$ 7,637</u>	<u>\$ 4,398,528</u>	<u>\$ 1,591,642</u>

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

State of New Mexico
Doña Ana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds — continued
For the Year Ended June 30, 2017

	25145 Indigent Hospital Care	25150 Reappraisal Administrative Fees	25210 Confiscated Assets	25230 Law Enforcement Protection	Emergency Medical Services	Total
Revenues						
Taxes						
General sales and use taxes	\$ 5,648,163	\$ 1,274,761	\$ -	\$ -	\$ -	\$ 13,799,338
Penalties and interest	-	-	-	-	-	30,464
Intergovernmental sources – federal	-	-	-	-	159,746	2,253,853
Intergovernmental sources – state	-	-	-	-	-	1,486,250
Charges for services	-	-	-	-	-	874,934
Contributions/donations private services	-	-	-	118,200	-	167,899
Investment earnings	24,930	9,013	185	523	1,183	82,484
Other revenue	102,000	2,373	6,486	-	1	312,458
Total revenues	<u>5,775,093</u>	<u>1,286,147</u>	<u>6,671</u>	<u>118,723</u>	<u>160,930</u>	<u>19,007,680</u>
Expenditures						
Current						
General government	-	1,095,679	-	-	-	1,324,430
Public safety	-	-	296,025	130,816	172,740	3,368,461
Public works	-	-	-	-	-	40,320
Health and welfare	5,461,932	-	-	-	-	10,282,187
Sanitation	-	-	-	-	-	83,278
Community development	-	-	-	-	-	299,367
Capital outlay	-	434,084	-	-	-	1,366,190
Total expenditures	<u>5,461,932</u>	<u>1,529,763</u>	<u>296,025</u>	<u>130,816</u>	<u>172,740</u>	<u>16,764,233</u>
Excess (deficiency) of revenues over expenditures	<u>313,161</u>	<u>(243,616)</u>	<u>(289,354)</u>	<u>(12,093)</u>	<u>(11,810)</u>	<u>2,243,447</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	2,329,197
Transfers out	<u>(2,546,003)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,541,060)</u>
Total other financing sources (uses)	<u>(2,546,003)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,211,863)</u>
Net change in fund balances	(2,232,842)	(243,616)	(289,354)	(12,093)	(11,810)	31,584
Fund balances, beginning of year	<u>4,625,057</u>	<u>1,271,732</u>	<u>294,072</u>	<u>13,301</u>	<u>51,032</u>	<u>11,798,189</u>
Fund balances, end of year	<u>\$ 2,392,215</u>	<u>\$ 1,028,116</u>	<u>\$ 4,718</u>	<u>\$ 1,208</u>	<u>\$ 39,222</u>	<u>\$ 11,829,773</u>

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

State of New Mexico
Doña Ana County
Combining Balance Sheets
Nonmajor Capital Projects Funds
As of June 30, 2017

	41020 Airport FAA Projects	42010 Wastewater Projects/ Grants	43010 Utility Projects	45070 HH Capital Improvements	45091 E-911 Emergency Dispatch Center	50063 Chaparral Wastewater System	Total
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,569,612	\$ -	\$ -	\$ 2,569,612
Receivables, net							
Intergovernmental	<u>81,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,255</u>
Total assets	<u>\$ 81,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,569,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,650,867</u>
Liabilities							
Accounts payable	<u>\$ 12,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,498</u>
Total liabilities	<u>12,190</u>	<u>-</u>	<u>-</u>	<u>220,308</u>	<u>-</u>	<u>-</u>	<u>232,498</u>
Fund Balances							
Restricted	69,065	-	-	-	-	-	69,065
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,349,304</u>	<u>-</u>	<u>-</u>	<u>2,349,304</u>
Total fund balances	<u>69,065</u>	<u>-</u>	<u>-</u>	<u>2,349,304</u>	<u>-</u>	<u>-</u>	<u>2,418,369</u>
Total liabilities and fund balances	<u>\$ 81,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,569,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,650,867</u>

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

State of New Mexico
Doña Ana County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2017

	41020 Airport FAA Projects	42010 Wastewater Projects/ Grants	43010 Utility Projects	45070 HH Capital Improvements	45091 E-911 Emergency Dispatch Center	50063 Chaparral Wastewater System	Total
Revenues							
Intergovernmental sources – federal	\$ 180,903	\$ -	\$ -	\$ 945,873	\$ -	\$ -	\$ 1,126,776
Intergovernmental sources – state	-	-	-	-	-	103,877	103,877
Investment earnings	44	-	-	-	45	-	89
Other	-	-	-	-	-	207,499	207,499
Total revenues	<u>180,947</u>	<u>-</u>	<u>-</u>	<u>945,873</u>	<u>45</u>	<u>311,376</u>	<u>1,438,241</u>
Expenditures							
Current							
Public works	129,637	-	-	215,654	-	-	345,291
Capital outlay	66,969	-	-	1,920,163	99,024	311,376	2,397,532
Total expenditures	<u>196,606</u>	<u>-</u>	<u>-</u>	<u>2,135,817</u>	<u>99,024</u>	<u>311,376</u>	<u>2,742,823</u>
Excess (deficiency) of revenues over expenditures	<u>(15,659)</u>	<u>-</u>	<u>-</u>	<u>(1,189,944)</u>	<u>(98,979)</u>	<u>-</u>	<u>(1,304,582)</u>
Other Financing Sources (Uses)							
Transfers in	56,216	-	-	2,244,962	-	-	2,301,178
Total other financing sources (uses)	<u>56,216</u>	<u>-</u>	<u>-</u>	<u>2,244,962</u>	<u>-</u>	<u>-</u>	<u>2,301,178</u>
Net change in fund balances	40,557	-	-	1,055,018	(98,979)	-	996,596
Fund balances, beginning of year	28,508	-	-	1,294,286	98,979	-	1,421,773
Fund balances, end of year	<u>\$ 69,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,418,369</u>

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

State of New Mexico
Doña Ana County
Nonmajor Enterprise Funds Descriptions
For the Year Ended June 30, 2017

Nonmajor

Salem/Ogas Wastewater – To account for the service activities of the wastewater system.

La Union Wastewater – To account for the service activities of the wastewater system.

Doña Ana Wastewater System – To account for the service activities of the wastewater system.

San Miguel Water System – To account for the service activities of the wastewater system.

Rincon Wastewater System – To account for the service activities of the water system.

Las Palmeras Montana Vista Wastewater System – To account for the service activities of the wastewater system.

New Mexico Environment Department (NMED) County Utilities – To account for the service activities of the various County utility systems.

State of New Mexico
Doña Ana County
Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2017

	50043 Salem/Ogas Wastewater System	50046 La Union Wastewater System	50064 Dona Ana Wastewater System	50066 San Miguel Water System	50067 Rincon Wastewater System	50065 Las Palmeras Montana Vista Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
Assets								
Current assets								
Cash and cash equivalents	\$ 35,198	\$ 63,298	\$ 62,317	\$ -	\$ 12,113	\$ -	\$ 357,619	\$ 530,545
Receivables, net								
Accounts	5,284	6,707	8,087	-	3,171	-	-	23,249
Interest and other	13	18	29	-	-	-	186	246
Total assets	<u>40,495</u>	<u>70,023</u>	<u>70,433</u>	<u>-</u>	<u>15,284</u>	<u>-</u>	<u>357,805</u>	<u>554,040</u>
Noncurrent assets								
Capital assets, net	2,402,427	3,866,876	2,391,725	-	1,155,902	423,105	1,258,920	11,498,955
Total noncurrent assets	<u>2,402,427</u>	<u>3,866,876</u>	<u>2,391,725</u>	<u>-</u>	<u>1,155,902</u>	<u>423,105</u>	<u>1,258,920</u>	<u>11,498,955</u>
Total assets	<u>2,442,922</u>	<u>3,936,899</u>	<u>2,462,158</u>	<u>-</u>	<u>1,171,186</u>	<u>423,105</u>	<u>1,616,725</u>	<u>12,052,995</u>
Liabilities								
Current liabilities								
Accounts payable	17	18	-	338	92	1,600	-	2,065
Accrued payroll liabilities	4,387	5,041	-	125	1,546	-	-	11,099
Accrued interest payable	1,976	3,275	-	-	-	-	-	5,251
Bonds and notes payable, current portion	31,870	37,108	-	-	-	-	-	68,978
Total liabilities	<u>38,250</u>	<u>45,442</u>	<u>-</u>	<u>463</u>	<u>1,638</u>	<u>1,600</u>	<u>-</u>	<u>87,393</u>
Noncurrent liabilities								
Bonds and notes payable, net of current portion	395,579	460,585	-	-	-	-	-	856,164
Compensated absences	2,338	4,917	-	-	7,695	-	-	14,950
Total noncurrent liabilities	<u>397,917</u>	<u>465,502</u>	<u>-</u>	<u>-</u>	<u>7,695</u>	<u>-</u>	<u>-</u>	<u>871,114</u>
Total liabilities	<u>436,167</u>	<u>510,944</u>	<u>-</u>	<u>463</u>	<u>9,333</u>	<u>1,600</u>	<u>-</u>	<u>958,507</u>
Net Position (Deficit)								
Net investment in capital assets	1,974,978	3,369,183	2,391,725	-	1,155,902	423,105	1,258,920	10,573,813
Unrestricted (deficit)	31,777	56,772	70,433	(463)	5,951	(1,600)	357,805	520,675
Total net position (deficit)	<u>\$ 2,006,755</u>	<u>\$ 3,425,955</u>	<u>\$ 2,462,158</u>	<u>\$ (463)</u>	<u>\$ 1,161,853</u>	<u>\$ 421,505</u>	<u>\$ 1,616,725</u>	<u>\$ 11,094,488</u>

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

State of New Mexico
Doña Ana County
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017

	50043 Salem/Ogas Wastewater System	50046 La Union Wastewater System	50064 Dona Ana Wastewater System	50066 San Miguel Water System	50067 Rincon Wastewater System	50065 Las Palmeras Montana Vista Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
Operating Revenues								
Charges for services	\$ 64,027	\$ 65,789	\$ 97,954	\$ -	\$ 17,978	\$ -	\$ -	\$ 245,748
Other revenue	4,493	33,075	14,719	-	2,235	-	-	54,522
Total operating revenues	<u>68,520</u>	<u>98,864</u>	<u>112,673</u>	<u>-</u>	<u>20,213</u>	<u>-</u>	<u>-</u>	<u>300,270</u>
Operating Expenditures								
Salaries and wages	15,987	11,993	-	-	25,835	-	-	53,815
Employee benefits	7,456	9,172	-	-	10,924	-	-	27,552
Professional fees and contractual services	-	24,989	169,527	-	-	-	-	194,516
Utilities	25,796	18,966	7,023	-	10,293	-	-	62,078
Depreciation	78,624	179,672	73,274	-	32,055	13,332	150,799	527,756
Other	2,702	-	-	-	19,047	-	138,410	160,159
Total operating expenses	<u>130,565</u>	<u>244,792</u>	<u>249,824</u>	<u>-</u>	<u>98,154</u>	<u>13,332</u>	<u>289,209</u>	<u>1,025,876</u>
Operating loss	<u>(62,045)</u>	<u>(145,928)</u>	<u>(137,151)</u>	<u>-</u>	<u>(77,941)</u>	<u>(13,332)</u>	<u>(289,209)</u>	<u>(725,606)</u>
Nonoperating Revenues (Expenses)								
Investment earnings	229	433	221	-	96	-	3,739	4,718
Interest expense	-	-	-	-	-	-	(50,845)	(50,845)
Total nonoperating revenues (expenses)	<u>229</u>	<u>433</u>	<u>221</u>	<u>-</u>	<u>96</u>	<u>-</u>	<u>(47,106)</u>	<u>(46,127)</u>
Loss before transfers	<u>(61,816)</u>	<u>(145,495)</u>	<u>(136,930)</u>	<u>-</u>	<u>(77,845)</u>	<u>(13,332)</u>	<u>(336,315)</u>	<u>(771,733)</u>
Transfers In (Out)								
Transfers in	35,867	90,000	127,269	-	43,757	-	308,313	605,206
Transfers out	<u>(33,892)</u>	<u>(68,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(302,366)</u>
Total transfers in (out)	<u>1,975</u>	<u>21,526</u>	<u>127,269</u>	<u>-</u>	<u>43,757</u>	<u>-</u>	<u>108,313</u>	<u>302,840</u>
Change in net position	<u>(59,841)</u>	<u>(123,969)</u>	<u>(9,661)</u>	<u>-</u>	<u>(34,088)</u>	<u>(13,332)</u>	<u>(228,002)</u>	<u>(468,893)</u>
Net position, beginning of year	2,066,596	3,549,924	2,471,819	(463)	1,195,941	-	1,844,727	11,128,544
Restatement (Note 15)	-	-	-	-	-	434,837	-	434,837
Net position (deficit), beginning of year, after restatement	<u>2,066,596</u>	<u>3,549,924</u>	<u>2,471,819</u>	<u>(463)</u>	<u>1,195,941</u>	<u>434,837</u>	<u>1,844,727</u>	<u>11,563,381</u>
Net position (deficit), end of year	<u>\$ 2,006,755</u>	<u>\$ 3,425,955</u>	<u>\$ 2,462,158</u>	<u>\$ (463)</u>	<u>\$ 1,161,853</u>	<u>\$ 421,505</u>	<u>\$ 1,616,725</u>	<u>\$ 11,094,488</u>

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

State of New Mexico
Doña Ana County
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2017

	50043 Salem/Ogas Wastewater System	50046 La Union Wastewater System	50064 Dona Ana Wastewater System	50066 San Miguel Water System	50067 Rincon Wastewater System	50065 Las Palmeras Montana Vista Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
Cash flows from operating activities								
Cash received from customers	\$ 65,129	\$ 65,705	\$ 112,345	\$ -	\$ 17,831	\$ -	\$ -	\$ 261,010
Cash paid to employees for services	(21,470)	(19,737)	-	-	(34,575)	-	-	(75,782)
Cash paid to suppliers for goods and services	(28,517)	(43,937)	(191,260)	-	(29,267)	-	(138,410)	(431,391)
Other receipts	4,493	33,075	-	-	2,235	-	-	39,803
Net cash provided (used) by operating activities	<u>19,635</u>	<u>35,106</u>	<u>(78,915)</u>	<u>-</u>	<u>(43,776)</u>	<u>-</u>	<u>(138,410)</u>	<u>(206,360)</u>
Cash flows from noncapital financing activities								
Transfers from other funds	35,867	90,000	127,269	-	43,757	-	308,313	605,206
Transfers to other funds	(33,892)	(68,474)	-	-	-	-	(200,000)	(302,366)
Net cash provided by noncapital financing activities	<u>1,975</u>	<u>21,526</u>	<u>127,269</u>	<u>-</u>	<u>43,757</u>	<u>-</u>	<u>108,313</u>	<u>302,840</u>
Cash flows from capital and related financing activities								
Principal payments	(15,278)	(29,310)	-	-	-	-	(100,007)	(144,595)
Interest payments	-	-	-	-	-	-	(51,467)	(51,467)
Net cash used by capital and related financing activities	<u>(15,278)</u>	<u>(29,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,474)</u>	<u>(196,062)</u>
Cash flows from investing activities								
Interest on investments	224	422	192	-	96	-	3,820	4,754
Net cash provided by investing activities	<u>224</u>	<u>422</u>	<u>192</u>	<u>-</u>	<u>96</u>	<u>-</u>	<u>3,820</u>	<u>4,754</u>
Net increase (decrease) in cash and cash equivalents	6,556	27,744	48,546	-	77	-	(177,751)	(94,828)
Cash and cash equivalents, beginning of year	<u>28,642</u>	<u>35,554</u>	<u>13,771</u>	<u>-</u>	<u>12,036</u>	<u>-</u>	<u>535,370</u>	<u>625,373</u>
Cash and cash equivalents, end of year	\$ 35,198	\$ 63,298	\$ 62,317	\$ -	\$ 12,113	\$ -	\$ 357,619	\$ 530,545

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

State of New Mexico
Doña Ana County
Nonmajor Enterprise Funds
Combining Statement of Cash Flows — continued
For the Year Ended June 30, 2017

	50043	50046	50064	50066	50067	50065		Total
	Salem/Ogas	La Union	Dona Ana	San Miguel	Rincon	Las Palmeras	NMED	Nonmajor
	Wastewater	Wastewater	Wastewater	Water	Wastewater	Montana Vista	County	Enterprise
	System	System	System	System	System	Wastewater	Utilities	Funds
	System	System	System	System	System	System		Funds
Reconciliation of operating loss to net cash provided by operating activities								
Operating loss	\$ (62,045)	\$ (145,928)	\$ (137,151)	\$ -	\$ (77,941)	\$ (13,332)	\$ (289,209)	\$ (725,606)
Adjustments								
Depreciation expense	78,624	179,672	73,274	-	32,055	13,332	150,799	527,756
Change in assets and liabilities								
Receivables	1,102	(84)	(328)	-	(147)	-	-	543
Accounts payable	(19)	18	(14,710)	-	73	-	-	(14,638)
Accrued payroll liabilities	1,102	1,036	-	-	699	-	-	2,837
Compensated absences	871	392	-	-	1,485	-	-	2,748
Net cash provided (used) by operating activities	<u>\$ 19,635</u>	<u>\$ 35,106</u>	<u>\$ (78,915)</u>	<u>\$ -</u>	<u>\$ (43,776)</u>	<u>\$ -</u>	<u>\$ (138,410)</u>	<u>\$ (206,360)</u>

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

State of New Mexico
Doña Ana County
Agency Funds Descriptions
For the Year Ended June 30, 2017

Agency Funds

Cost to State/Treasurer – this fund accounts for delinquent property taxes. These monies are then paid to the State of New Mexico Taxation and Revenue Department.

Inmate Welfare Fund – this fund accounts for monies received from vending machines at the Detention Center. These monies are then used to support activities at the Detention Center.

Inmate Trust Fund – this fund accounts for monies that belong to inmates at the time they are detained. These monies are held until inmates are released.

Children’s Trust Fund – this fund accounts for the preapproved percentage of marriage license fees. These monies are then disbursed to Children’s Youth Family Department of the State of New Mexico.

Property Tax Refund Fund – this fund accounts for property tax collections. These monies are then disbursed to the appropriate the surrounding community.

Airport Road – Special Assessment 2001A Fund – this fund accounts for special assessment fees billed by the County and passed onto U.S. Bank.

Border Park – Special Assessment 2001B Fund – this fund accounts for special assessment fees billed by the County and passed onto U.S. Bank.

State of New Mexico
Doña Ana County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
10020 - Cost to State/Treasurer				
Assets				
Cash and cash equivalents	\$ 1,000	\$ 34,075	\$ (31,875)	\$ 3,200
Liabilities				
Due to others	\$ 1,000	\$ 65,450	\$ (63,250)	\$ 3,200
25113 - Inmate Welfare Fund				
Assets				
Cash and cash equivalents	\$ 932,537	\$ 297,986	\$ (155,465)	\$ 1,075,058
Other receivables	-	9,952	-	9,952
Total assets	\$ 932,537	\$ 307,938	\$ (155,465)	\$ 1,085,010
Liabilities				
Due to others	\$ 208,729	162,081	(205,806)	165,004
Control accounts (other liabilities)	723,808	\$ 1,553,363	\$ (1,357,165)	\$ 920,006
Total liabilities	\$ 932,537	\$ 1,715,444	\$ (1,562,971)	\$ 1,085,010
25112 - Inmate Trust Fund				
Assets				
Cash and cash equivalents	\$ 40,917	\$ 1,744,464	\$ (1,746,003)	\$ 39,378
Liabilities				
Due to others	\$ 40,917	\$ 1,744,464	\$ (1,746,003)	\$ 39,378
70010 - Children's Trust Fund				
Assets				
Cash and cash equivalents	\$ 5,130	\$ 24,960	\$ (27,600)	\$ 2,490
Liabilities				
Due to others	\$ 5,130	\$ 52,560	\$ (55,200)	\$ 2,490
70040 - Property Tax Refund				
Assets				
Cash and cash equivalents	\$ 19,484,903	\$ 126,046,795	\$ (144,096,519)	\$ 1,435,179
Taxes receivable, net	6,395,634	6,857,045	(6,395,634)	6,857,045
Total assets	\$ 25,880,537	\$ 132,903,840	\$ (150,492,153)	\$ 8,292,224
Liabilities				
Accounts payable	\$ 3,658,745	\$ 94,774,606	\$ (98,431,536)	\$ 1,815
Taxes paid in advance	242,218	574,265	(520,597)	295,886
Taxes in suspense	987,549	3,387,133	(3,523,770)	850,912
Taxes due to others	15,366,180	124,395,496	(138,831,998)	929,678
Unearned revenue	5,625,845	6,213,933	(5,625,845)	6,213,933
Total liabilities	\$ 25,880,537	\$ 229,345,433	\$ (246,933,746)	\$ 8,292,224

State of New Mexico
Doña Ana County
Combining Statement of Changes in Assets and Liabilities
Agency Funds — continued
For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
70050 - Airport Road - Special Assessment 2001A				
Assets				
Cash and cash equivalents	\$ 33,744	\$ 823,492	\$ (857,236)	\$ -
Other receivables	6,343	489,147	(494,328)	1,162
Total assets	<u>\$ 40,087</u>	<u>\$ 1,312,639</u>	<u>\$ (1,351,564)</u>	<u>\$ 1,162</u>
Liabilities				
Due to others	<u>\$ 40,087</u>	<u>\$ 728,902</u>	<u>\$ (767,827)</u>	<u>\$ 1,162</u>
70060 - Border Park - Special Assessment 2001B				
Assets				
Cash and cash equivalents	\$ 18,323	\$ 3,516,827	\$ (3,535,150)	\$ -
Liabilities				
Due to others	<u>\$ 18,323</u>	<u>\$ 7,129,579</u>	<u>\$ (7,147,902)</u>	<u>\$ -</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 20,516,554	\$ 132,488,599	\$ (150,449,848)	\$ 2,555,305
Taxes receivable, net	6,395,634	6,857,045	(6,395,634)	6,857,045
Other receivable	6,343	499,099	(494,328)	11,114
Total assets	<u>\$ 26,918,531</u>	<u>\$ 139,844,743</u>	<u>\$ (157,339,810)</u>	<u>\$ 9,423,464</u>
Liabilities				
Accounts payable	\$ 3,658,745	\$ 94,774,606	\$ (98,431,536)	\$ 1,815
Taxes paid in advance	242,218	574,265	(520,597)	295,886
Taxes in suspense	987,549	3,387,133	(3,523,770)	850,912
Control accounts	723,808	1,553,363	(1,357,165)	920,006
Due to others	314,186	9,883,036	(9,985,988)	211,234
Taxes due to others	15,366,180	124,395,496	(138,831,998)	929,678
Unearned revenue	5,625,845	6,213,933	(5,625,845)	6,213,933
Total liabilities	<u>\$ 26,918,531</u>	<u>\$ 240,781,832</u>	<u>\$ (258,276,899)</u>	<u>\$ 9,423,464</u>

State of New Mexico
Doña Ana County
Schedule of Required Supplemental Information
Schedule of Doña Ana County's Proportion Share of the
Net Pension Liability of PERA Fund Division;
Municipal General Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2015	2016	2017
County's proportion of the net pension liability	2.8400%	2.7176%	2.8537%
County's proportionate share of the net pension liability	\$ 22,116,823	\$ 27,708,287	\$ 45,592,523
County's covered-employee payroll	\$ 22,554,222	\$ 25,296,193	\$ 25,305,746
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	98.06%	109.54%	180.17%
Plan fiduciary net position as a percentage of the total pension liability	81.29%	76.99%	69.18%

*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.

State of New Mexico
Doña Ana County
Schedule of Required Supplemental Information
Schedule of Doña Ana County's Proportion Share of the
Net Pension Liability of PERA Fund Division;
Municipal Police Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2015	2016	2017
County's proportion of the net pension liability (asset)	3.0800%	2.9655%	3.1363%
County's proportionate share of the net pension liability (asset)	\$ 10,046,985	\$ 14,259,786	\$ 23,140,555
County's covered-employee payroll	\$ 5,817,425	\$ 6,463,043	\$ 6,411,370
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	172.71%	220.64%	360.93%
Plan fiduciary net position as a percentage of the total pension liability	81.29%	76.99%	69.18%

*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.

State of New Mexico
Doña Ana County
Schedule of Required Supplemental Information
Schedule of Doña Ana County's Proportion Share of the
Net Pension Liability of PERA Fund Division;
Municipal Fire Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2015	2016	2017
County's proportion of the net pension liability (asset)	0.5600%	0.5779%	0.5615%
County's proportionate share of the net pension liability (asset)	\$ 2,337,436	\$ 2,982,647	\$ 3,745,776
County's covered-employee payroll	\$ 657,301	\$ 679,972	\$ 693,477
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	355.61%	438.64%	540.14%
Plan fiduciary net position as a percentage of the total pension liability	81.29%	76.99%	69.18%

*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.

State of New Mexico
Doña Ana County
Schedule of Required Supplemental Information
Schedule of Doña Ana County's Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Division; Municipal General Division
Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 4,370,864	\$ 4,910,630	\$ 2,416,699
Contributions in relation to the contractually required contribution	4,370,864	4,910,630	2,416,699
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	<u>\$ 25,296,193</u>	<u>\$ 25,196,193</u>	<u>\$ 25,305,746</u>
Contributions as a percentage of covered-employee payroll	17.28%	19.49%	9.55%

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

State of New Mexico
Doña Ana County
Schedule of Required Supplemental Information
Schedule of Doña Ana County's Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Division; Municipal Police Division
Last 10 Fiscal Years*

	2015	2016	2017
Contractually required contribution	\$ 1,097,696	\$ 1,221,515	\$ 1,211,749
Contributions in relation to the contractually required contribution	1,097,696	1,221,515	1,211,749
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 5,817,425	\$ 6,463,043	\$ 6,411,370
Contributions as a percentage of covered-employee payroll	18.87%	18.90%	18.90%

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

State of New Mexico
Doña Ana County
Schedule of Required Supplemental Information
Schedule of Doña Ana County's Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Division; Municipal Fire Division
Last 10 Fiscal Years*

	2015	2016	2017
Contractually required contribution	\$ 142,114	\$ 147,214	\$ 150,138
Contributions in relation to the contractually required contribution	142,114	147,214	150,138
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 657,301	\$ 679,972	\$ 693,477
Contributions as a percentage of covered-employee payroll	21.62%	21.65%	21.65%

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

State of New Mexico
Doña Ana County
Notes to Required Supplementary Information
PERA Pension Plan

Change in Accounting Principle. For the year ended June 30, 2017, the County implemented the provisions of GASB Statement No. 82, Pension Issues. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Changes of Benefit Terms. The PERA Fund cost-of-living (COLA) and retirement eligibility benefit changes in recent years are described in Note 1 of the PERA audited comprehensive annual financial report available at the following web address: <http://www.nmpera.org/financial-overview>.

Changes of Assumptions. The PERA Annual Actuarial Valuation as of June 30, 2016, is available at the web address listed above. The summary of Key Findings for the PERA Fund (on page 2 of the report) states “New economic assumptions were adopted for the June 30, 2016, valuations.” The impact of this change result in a decrease in the accrued liability of PERA and a decrease in the expected dollar amount of future contributions. For details about changes in the actuarial assumptions, see Appendix B on page 54 of the PERA Annual Actuarial Valuation referenced above.

State of New Mexico
Doña Ana County
Schedule of Cash and Investments
June 30, 2017

Financial Institution	Account Type	Bank Balance	Reconciling Items	Book Balance
Cash and cash equivalents				
Bank of the West	Checking	\$ 418,363	\$ (139)	\$ 418,224
Wells Fargo Bank	Checking	16,310,172	(3,535,937)	12,774,235
Wells Fargo Bank	Repurchase agreement	5,009,534	-	5,009,534
Wells Fargo Bank	Savings	11,201,189	-	11,201,189
Moreton Capital Investments	Money market account	1,453	-	1,453
White Sands Federal Credit Union	Money market account	303	-	303
Total demand deposits and repurchase agreements		<u>32,941,014</u>	<u>(3,536,076)</u>	<u>29,404,938</u>
Investments				
Century Bank	Certificate of deposit	3,250,000	-	3,250,000
Citizen's Bank	Certificate of deposit	3,000,000	-	3,000,000
Dona Ana County	County bond	5,520,000	-	5,520,000
First National Bank of Santa Fe	Certificate of deposit	3,000,000	-	3,000,000
First New Mexico Bank	Certificate of deposit	750,000	-	750,000
First Savings	Certificate of deposit	3,000,000	-	3,000,000
Moreton Capital Investments	Certificates of deposit	11,750,000	-	11,750,000
Moreton Capital Investments	US Agency securities	13,925,530	-	13,675,530
Moreton Capital Investments	US Treasury bond	362,176	-	362,176
Moreton Capital Investments	Municipal bond	250,000	-	250,000
US Bank	Money market mutual funds	2,746,842	-	2,746,842
Washington Federal Savings	Certificate of deposit	250,000	-	250,000
Western Heritage Bank	Certificate of deposit	250,000	-	250,000
White Sands Federal Credit Union	Certificate of deposit	250,000	-	250,000
Total certificates of deposit and investments		<u>48,304,548</u>	<u>-</u>	<u>48,054,548</u>
Total cash, cash equivalents, and investments		<u>\$ 81,245,562</u>	<u>\$ (3,536,076)</u>	<u>\$ 77,459,486</u>

State of New Mexico Doña Ana County Schedule of Pledged Collateral June 30, 2017

	Bank of the West	Wells Fargo Bank	Century Bank	Citizens Bank	First National Bank of Santa Fe	First New Mexico Bank	First Savings	Washington Federal Savings	Moreton Capital Investments	Western Heritage Bank	White Sands Federal Credit Union	Total
Deposits												
Checkings	\$ 418,363	\$ 16,310,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,728,535
Savings	-	11,201,189	-	-	-	-	-	-	1,453	-	303	11,202,945
Certificate of deposits	-	-	3,250,000	3,000,000	3,000,000	750,000	3,000,000	250,000	11,750,000	250,000	250,000	25,500,000
Repurchase agreements	-	5,009,534	-	-	-	-	-	-	-	-	-	5,009,534
Total deposits	418,363	32,520,895	3,250,000	3,000,000	3,000,000	750,000	3,000,000	250,000	11,751,453	250,000	250,303	58,441,014
Less FDIC insurance	250,000	380,147	250,000	250,000	250,000	250,000	250,000	250,000	11,751,453	250,000	250,000	14,381,600
Total uninsured public funds	168,363	32,140,748	3,000,000	2,750,000	2,750,000	500,000	2,750,000	-	-	-	303	44,059,414
Collateral requirement (50% deposits)	84,182	13,565,607	1,500,000	1,375,000	1,375,000	250,000	1,375,000	-	-	-	152	19,524,941
Collateral requirement (102% repurchase agreement)	-	5,109,725	-	-	-	-	-	-	-	-	-	5,109,725
<i>Pledged collateral at fair value</i>												
	<i>CUSIP</i>	<i>Maturity</i>										
FH 3977C AC SEQ FIX	3137AJYWB	9/15/2029	33,173	-	-	-	-	-	-	-	-	33,173
GNMA2 ARM MULTIPLE	36179M6HB	3/20/2043	58,310	-	-	-	-	-	-	-	-	58,310
FNMA CONV 30 YR SF	3138MAKS6	9/1/2042	89,663	-	-	-	-	-	-	-	-	89,663
G2SF MA3662	36179SB71	5/20/2046	96,148	-	-	-	-	-	-	-	-	96,148
FNMA FNMS	3138AQB96	10/1/2026	-	792,552	-	-	-	-	-	-	-	792,552
FNMA FNMS	3138ETFK7	4/1/2031	-	29,928,629	-	-	-	-	-	-	-	29,928,629
FNMA FNMS	3140F2P53	5/1/2031	-	249,432	-	-	-	-	-	-	-	249,432
MA1448 - Repurchase Agreement	36179NTD0	11/1/2043	-	605,003	-	-	-	-	-	-	-	605,003
MA1448 - Repurchase Agreement	36179NTD0	11/1/2043	-	4,297,877	-	-	-	-	-	-	-	4,297,877
ALAMOGORDO NM MUD#1	011464JY1	8/1/2021	-	358,558	-	-	-	-	-	-	-	358,558
LEA CO NM SD NOB	521513AX9	6/15/2021	-	734,559	-	-	-	-	-	-	-	734,559
NEW MEXICO EDL ASSIST	647110EQ4	12/1/2024	-	245,747	-	-	-	-	-	-	-	245,747
ROUND ROCK TX UTIL REV	779244DX7	8/1/2034	-	532,075	-	-	-	-	-	-	-	532,075
SAN MIGUEL CNTY NM	799108DA0	6/1/2019	-	425,825	-	-	-	-	-	-	-	425,825
FHLB	None	2/23/2018	-	-	1,895,333	-	-	-	-	-	-	1,895,333
FHLMC - Pool#: G18434	3128MMPUI	5/1/2027	-	-	-	462,380	-	-	-	-	-	462,380
FNMA SERIES 2014-65 CLASS DV	3136AK6G3	1/25/2026	-	-	-	1,202,159	-	-	-	-	-	1,202,159
FNMA - Pool#: MA 1200	31418AKN7	10/1/2032	-	-	-	476,479	-	-	-	-	-	476,479
ALAMOGORDO NM MUNI SCH DIST#1	01146HT4	8/1/2018	-	-	-	224,741	-	-	-	-	-	224,741
ALAMOGORDO NM MUNI SCH DIST#1	01146HW7	8/1/2021	-	-	-	205,536	-	-	-	-	-	205,536
GALLUP MC KINLEY CNTY NM SCH	364010PG7	8/1/2020	-	-	-	232,655	-	-	-	-	-	232,655
Hobbs New Mexico School District	433866DS6	4/15/2025	-	-	-	-	275,789	-	-	-	-	275,789
FHLMC 10 YR	31306XQD8	9/1/2022	-	-	-	-	-	303,521	-	-	-	303,521
FHLMC 10 YR	31307BJW1	3/1/2023	-	-	-	-	-	31,091	-	-	-	31,091
FNMA 10YR	31418BB54	4/1/2024	-	-	-	-	-	60,002	-	-	-	60,002
GNMA 15YR	36176XE21	3/15/2027	-	-	-	-	-	36,418	-	-	-	36,418
FNMA 15YR	3138EKJA4	1/1/2028	-	-	-	-	-	108,711	-	-	-	108,711
FHLMC 15YR	3128ME4V0	1/1/2030	-	-	-	-	-	189,510	-	-	-	189,510
FHLMC 15YR	3128MECV1	2/1/2030	-	-	-	-	-	216,122	-	-	-	216,122
FHR 4080	3137ARS72	5/15/2032	-	-	-	-	-	205,326	-	-	-	205,326
GNR 2010-115 QG	38377KKM1	11/20/2038	-	-	-	-	-	4,399	-	-	-	4,399
GNR 2010-150 GJ	38377NLJ1	9/20/2039	-	-	-	-	-	4,983	-	-	-	4,983
FNR 2010-135 CH	31398SN66	4/25/2040	-	-	-	-	-	57,341	-	-	-	57,341
FNR 2010-135 CH	31398SN66	4/25/2040	-	-	-	-	-	34,405	-	-	-	34,405
FNR 2010-135 CH	31398SN66	4/25/2040	-	-	-	-	-	11,468	-	-	-	11,468
FHR 4505 PA	3137BKWM8	5/15/2044	-	-	-	-	-	230,202	-	-	-	230,202
FNMA PL#BC2636	3140EW4W2	11/1/2046	-	-	-	-	-	19,030	-	-	-	19,030
Total pledged collateral at fair value			277,294	35,873,493	2,296,764	1,895,333	2,803,950	275,789	1,493,499	19,030	-	44,935,152
Pledged in excess of collateral requirement			\$ (193,112)	\$ (17,198,161)	\$ (796,764)	\$ (520,333)	\$ (1,428,950)	\$ (25,789)	\$ (118,499)	\$ (19,030)	\$ 152	\$ (20,300,486)

State of New Mexico
Doña Ana County
Schedule of Fund Balances
June 30, 2017

	Special Revenue Fund					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Fire Districts	25135 County Flood Commission	25160 Spaceport Gross Receipts	23111 State Appropriations		
Fund Balances							
Nonspendable							
Inventory	\$ 7,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,521
Subtotal nonspendable	<u>7,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,521</u>
Restricted for							
Detention center operations	-	-	-	-	-	623,967	623,967
Farm and range improvements	-	-	-	-	-	7,637	7,637
Road/drainage improvement	194,784	-	-	-	-	-	194,784
Water system/wastewater improvements	-	-	-	-	-	65,889	65,889
Flood control projects	-	-	9,515,575	-	-	69,065	9,584,640
Airport	207,000	-	-	-	-	-	207,000
Debt service reserve	-	-	-	-	-	3,311,910	3,311,910
County Clerk operations	-	-	-	-	-	310,955	310,955
Environmental projects	-	-	-	-	-	216,310	216,310
DWI enforcement and education	-	-	-	-	-	470,127	470,127
Public safety	11,778	9,349,530	-	-	-	634,620	9,995,928
Appraisal operations	-	-	-	-	-	1,028,116	1,028,116
Spaceport	-	-	-	388,769	-	-	388,769
Health and welfare	-	-	-	-	-	4,251,656	4,251,656
Indigent care	-	-	-	-	-	2,392,215	2,392,215
Other purposes	-	-	-	-	11,603	75,077	86,680
Subtotal restricted	<u>413,562</u>	<u>9,349,530</u>	<u>9,515,575</u>	<u>388,769</u>	<u>11,603</u>	<u>13,457,544</u>	<u>33,136,583</u>

State of New Mexico
Doña Ana County
Schedule of Fund Balances — continued
June 30, 2017

	Special Revenue Fund					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Fire Districts	25135 County Flood Commission	25160 Spaceport Gross Receipts	23111 State Appropriations		
Committed to							
Public safety	3,322,927	-	-	-	-	2,349,304	5,672,231
Sanitation	153,644	-	-	-	-	-	153,644
Crisis Triage Center	-	-	-	-	-	1,591,642	1,591,642
Road/drainage improvements	11,258	-	-	-	-	-	11,258
Other purposes	-	-	-	-	-	14,690	14,690
Subtotal committed	<u>3,487,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,955,636</u>	<u>7,443,465</u>
Assigned to							
Public safety	2,002,602	-	-	-	-	-	2,002,602
Road/drainage improvements	529,008	-	-	-	-	-	529,008
Health and welfare	285,032	-	-	-	-	146,872	431,904
Budget requirements	<u>2,595,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,595,747</u>
Subtotal assigned	<u>5,412,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,872</u>	<u>5,559,261</u>
Unassigned	<u>30,317,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,317,980</u>
Total fund balances	<u>\$ 39,639,281</u>	<u>\$ 9,349,530</u>	<u>\$ 9,515,575</u>	<u>\$ 388,769</u>	<u>\$ 11,603</u>	<u>\$ 17,560,052</u>	<u>\$ 76,464,810</u>

State of New Mexico
Doña Ana County
Schedule of Reconciliation of Property Taxes Receivable
June 30, 2017

Reconciliation of Property Taxes Receivable

Taxes receivable, beginning of year	\$ 10,099,716
Nonrendition and administrative fees and adjustments	(90,677)
2016 allowance added back	99,956
2006 tax year dropped off	(166,678)
2016 property tax assessment	123,621,950
Nonrendition and administrative fees and adjustments, net	(184,971)
Tax roll corrections and adjustments, net	<u>791,633</u>
Subtotal net taxes due	<u>134,170,929</u>
Less taxes collected	
Current	119,388,238
Delinquent	3,598,121
Taxes collected in advanced applied to current year	<u>327,477</u>
Subtotal net taxes collected	<u>123,313,836</u>
Total taxes to be collected	10,857,093
Allowance for uncollected taxes	<u>(108,571)</u>
Taxes receivable, end of year (net of allowance)	<u><u>\$ 10,748,522</u></u>
Property taxes receivable by years	
2007	\$ 164,881
2008	211,341
2009	245,058
2010	251,271
2011	289,864
2012	349,619
2013	505,745
2014	868,152
2015	2,492,608
2016	<u>5,478,554</u>
Total taxes receivable	10,857,093
Allowance for uncollected taxes	<u>(108,571)</u>
Taxes receivable, end of year, net of allowance	<u><u>\$ 10,748,522</u></u>

State of New Mexico
Doña Ana County
Property Tax Schedule
For the Year Ended June 30, 2017

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Allowance	Undistributed at Year-End	County Receivable at Year-End
Dona Ana County									
General ad volorem	2007	\$ 58,359	\$ 3,895	\$ 28,711,033	\$ 3,950	\$ 28,711,033	\$ 550	\$ -	\$ 54,409
General ad volorem	2008	75,571	5,574	31,520,728	5,922	31,520,728	704	-	69,649
General ad volorem	2009	88,128	7,406	34,013,113	7,398	34,013,113	815	-	80,730
General ad volorem	2010	90,968	10,766	35,416,078	9,964	35,416,078	818	-	81,004
General ad volorem	2011	106,052	10,570	35,916,096	11,290	35,916,096	957	-	94,762
General ad volorem	2012	134,894	17,830	37,395,919	21,035	37,395,919	1,150	-	113,859
General ad volorem	2013	326,151	67,562	38,581,272	159,429	38,581,272	1,684	-	166,722
General ad volorem	2014	650,211	413,854	39,512,706	363,094	39,512,706	2,900	-	287,117
General ad volorem	2015	2,221,914	1,092,392	40,343,256	1,386,940	40,343,256	8,434	-	834,974
General ad volorem	2016	41,180,568	39,940,225	39,940,226	39,377,718	39,940,226	18,211	-	1,802,850
Total general ad volorem		<u>44,932,816</u>	<u>41,570,074</u>	<u>361,350,427</u>	<u>41,346,740</u>	<u>361,350,427</u>	<u>36,223</u>	<u>-</u>	<u>3,586,076</u>
County debt service	2007	521,113	72	520,141	374	520,141	9	-	934
County debt service	2008	486,913	84	485,896	333	485,896	10	-	1,007
County debt service	2009	550,900	212	549,645	607	549,645	13	-	1,242
County debt service	2010	572,681	181	571,382	897	571,382	13	-	1,286
County debt service	2011	560,780	179	559,301	1,076	559,301	15	-	1,464
County debt service	2012	554,455	282	552,775	1,839	552,775	17	-	1,683
County debt service	2013	384,011	685	382,328	11,373	382,328	17	-	1,666
County debt service	2014	336,985	3,524	334,497	26,886	334,497	25	-	2,463
County debt service	2015	468,156	12,221	458,685	87,876	458,685	94	-	9,377
County debt service	2016	458,143	438,362	438,362	2,204,573	438,362	198	-	19,577
Total county debt service		<u>4,894,137</u>	<u>455,802</u>	<u>4,853,012</u>	<u>2,335,834</u>	<u>4,853,012</u>	<u>411</u>	<u>-</u>	<u>40,699</u>
Flood levy	2007	521,113	327	1,485,485	374	1,485,485	44	-	4,313
Flood levy	2008	486,913	273	1,637,186	333	1,637,186	53	-	5,286
Flood levy	2009	550,900	492	1,825,253	607	1,825,253	66	-	6,547
Flood levy	2010	572,681	781	1,876,001	897	1,876,001	68	-	6,728
Flood levy	2011	560,780	1,028	1,944,866	1,076	1,944,866	79	-	7,800
Flood levy	2012	554,455	1,639	2,048,358	1,839	2,048,358	97	-	9,611
Flood levy	2013	384,011	5,125	2,172,224	11,373	2,172,224	148	-	14,663
Flood levy	2014	336,985	28,613	2,205,210	26,886	2,205,210	241	-	23,863
Flood levy	2015	468,156	68,544	2,256,846	87,876	2,256,846	587	-	58,082
Flood levy	2016	458,143	2,228,392	2,228,391	2,204,573	2,228,391	1,291	-	127,808
Total flood levy		<u>4,894,137</u>	<u>2,335,214</u>	<u>19,679,820</u>	<u>2,335,834</u>	<u>19,679,820</u>	<u>2,674</u>	<u>-</u>	<u>264,701</u>
Total Dona Ana County		<u>54,721,090</u>	<u>44,361,090</u>	<u>385,883,259</u>	<u>46,018,408</u>	<u>385,883,259</u>	<u>39,308</u>	<u>-</u>	<u>3,891,476</u>

State of New Mexico
Doña Ana County
Property Tax Schedule — continued
For the Year Ended June 30, 2017

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Allowance	Undistributed at Year-End	County Receivable at Year-End
Municipalities									
City of Las Cruces	2007	10,615,447	1,237	10,607,632	1,112	10,607,632	78	125	7,737
City of Las Cruces	2008	11,807,978	2,061	11,795,143	2,039	11,795,143	128	43	12,707
City of Las Cruces	2009	12,713,839	2,229	12,699,303	1,879	12,699,303	145	397	14,391
City of Las Cruces	2010	13,131,686	2,986	13,117,474	2,314	13,117,474	142	677	14,070
City of Las Cruces	2011	13,345,099	2,037	13,326,501	2,230	13,326,501	186	32	18,412
City of Las Cruces	2012	13,843,919	3,062	13,822,430	3,737	13,822,430	215	45	21,274
City of Las Cruces	2013	14,194,309	17,533	14,163,157	45,510	14,163,157	312	579	30,840
City of Las Cruces	2014	14,470,231	122,320	14,410,842	102,206	14,410,842	594	26,678	58,795
City of Las Cruces	2015	14,956,491	356,252	14,717,808	439,549	14,717,808	2,387	24,975	236,300
City of Las Cruces	2016	15,112,697	14,614,744	14,614,744	14,482,897	14,614,744	4,977	131,847	492,712
Total City of Las Cruces		<u>134,191,696</u>	<u>15,124,461</u>	<u>133,275,034</u>	<u>15,083,473</u>	<u>133,275,034</u>	<u>9,164</u>	<u>185,398</u>	<u>907,238</u>
Municipalities									
Village of Hatch	2007	54,377	-	54,257	-	54,257	1	-	119
Village of Hatch	2008	58,090	-	57,964	-	57,964	1	-	125
Village of Hatch	2009	61,342	-	61,214	-	61,214	1	-	127
Village of Hatch	2010	65,716	-	65,512	-	65,512	2	-	202
Village of Hatch	2011	76,538	-	76,261	-	76,261	3	-	274
Village of Hatch	2012	84,400	7	84,103	12	84,103	3	-	294
Village of Hatch	2013	86,849	116	85,826	185	85,826	10	-	1,013
Village of Hatch	2014	88,504	1,512	87,242	1,560	87,242	13	56	1,249
Village of Hatch	2015	93,077	4,686	90,445	6,532	90,445	26	16	2,606
Village of Hatch	2016	93,553	88,707	88,707	86,806	88,707	49	1,902	4,796
Total Village of Hatch		<u>762,446</u>	<u>95,028</u>	<u>751,531</u>	<u>95,095</u>	<u>751,531</u>	<u>109</u>	<u>1,974</u>	<u>10,805</u>
Town of Mesilla	2007	54,816	-	54,816	-	54,816	-	-	-
Town of Mesilla	2008	60,649	-	60,649	-	60,649	-	-	-
Town of Mesilla	2009	65,956	-	65,948	-	65,948	-	-	8
Town of Mesilla	2010	69,438	-	69,327	-	69,327	1	-	110
Town of Mesilla	2011	67,543	-	67,422	1	67,422	1	-	120
Town of Mesilla	2012	77,209	-	76,999	1	76,999	2	-	208
Town of Mesilla	2013	79,633	11	79,536	96	79,536	1	-	96
Town of Mesilla	2014	79,326	867	79,212	395	78,705	1	507	113
Town of Mesilla	2015	81,660	2,134	80,676	2,649	80,643	10	33	974
Town of Mesilla	2016	82,098	79,198	79,198	78,290	78,290	29	908	2,871
Total Town of Mesilla		<u>718,328</u>	<u>82,210</u>	<u>713,783</u>	<u>81,432</u>	<u>712,335</u>	<u>45</u>	<u>1,448</u>	<u>4,500</u>

State of New Mexico
Doña Ana County
Property Tax Schedule — continued
For the Year Ended June 30, 2017

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Allowance	Undistributed at Year-End	County Receivable at Year-End
City of Sunland Park	2007	381,077	74	380,101	77	380,101	10	-	966
City of Sunland Park	2008	412,705	90	411,292	103	411,292	14	-	1,399
City of Sunland Park	2009	474,267	151	471,917	172	417,902	23	15	2,327
City of Sunland Park	2010	501,897	194	499,927	268	499,921	20	6	1,950
City of Sunland Park	2011	507,433	260	505,106	302	505,081	23	25	2,304
City of Sunland Park	2012	1,196,052	895	1,189,452	1,005	1,189,382	66	70	6,534
City of Sunland Park	2013	1,351,578	4,267	1,342,741	8,694	1,342,676	88	65	8,749
City of Sunland Park	2014	1,558,640	18,633	1,541,055	16,235	1,535,978	177	5,077	17,408
City of Sunland Park	2015	1,633,857	41,374	1,587,980	55,738	1,586,427	458	1,553	45,419
City of Sunland Park	2016	1,643,636	1,553,862	1,553,861	1,470,484	1,470,484	898	83,377	88,871
Total City of Sunland Park		9,661,142	1,619,800	9,483,432	1,553,078	9,339,244	1,777	90,188	175,927
Total Municipalities		145,333,612	16,921,499	144,223,780	16,813,078	144,078,144	11,095	279,008	1,098,470
School Districts									
Las Cruces PSD #2	2007	24,246,299	2,435	24,222,106	2,579	24,221,864	242	242	23,951
Las Cruces PSD #2	2008	26,789,238	3,827	26,756,235	4,070	26,756,165	330	70	32,673
Las Cruces PSD #2	2009	28,680,693	4,566	28,642,085	4,412	28,641,523	386	562	38,222
Las Cruces PSD #2	2010	29,481,635	7,132	29,441,256	6,468	29,440,280	404	976	39,975
Las Cruces PSD #2	2011	29,168,973	6,173	29,119,544	6,843	29,119,431	494	113	48,935
Las Cruces PSD #2	2012	29,809,236	10,264	29,750,528	12,502	29,750,296	587	232	58,121
Las Cruces PSD #2	2013	30,129,320	43,550	30,041,241	105,283	30,039,829	881	1,412	87,198
Las Cruces PSD #2	2014	30,516,587	281,045	30,351,843	239,288	30,289,969	1,647	61,874	163,097
Las Cruces PSD #2	2015	31,330,620	691,395	30,790,354	885,906	30,740,663	5,403	49,691	534,881
Las Cruces PSD #2	2016	32,382,730	31,147,416	31,147,416	30,826,185	30,826,184	12,349	321,232	1,222,560
Total Las Cruces PSD #2		292,535,331	32,197,803	290,262,608	32,093,536	289,826,204	22,723	436,404	2,249,613
Hatch Valley SD #11	2007	648,206	13	646,671	13	646,671	15	-	1,520
Hatch Valley SD #11	2008	803,256	15	800,657	15	800,657	26	-	2,573
Hatch Valley SD #11	2009	825,373	15	822,592	15	822,592	28	-	2,753
Hatch Valley SD #11	2010	863,487	74	860,167	120	860,167	33	-	3,287
Hatch Valley SD #11	2011	870,778	384	866,898	427	866,898	39	-	3,841
Hatch Valley SD #11	2012	900,869	805	896,165	884	896,165	47	-	4,657
Hatch Valley SD #11	2013	938,047	4,115	929,964	5,142	929,866	81	98	8,002
Hatch Valley SD #11	2014	959,441	13,352	946,805	12,388	945,240	126	1,565	12,510
Hatch Valley SD #11	2015	1,020,932	51,221	993,574	58,331	992,124	274	1,450	27,084
Hatch Valley SD #11	2016	1,059,815	924,721	924,721	910,616	910,616	1,351	14,105	133,721
Total Hatch Valley SD #11		8,890,204	994,715	8,688,214	987,951	8,670,996	2,020	17,218	199,948

State of New Mexico
Doña Ana County
Property Tax Schedule — continued
For the Year Ended June 30, 2017

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Allowance	Undistributed at Year-End	County Receivable at Year-End
Gadsden ISD #16	2007	10,106,340	3,064	10,052,179	2,937	10,051,983	512	196	50,723
Gadsden ISD #16	2008	10,916,096	3,351	10,855,356	3,630	10,855,128	607	228	60,133
Gadsden ISD #16	2009	11,333,774	5,618	11,263,572	6,145	11,263,323	702	249	69,500
Gadsden ISD #16	2010	11,977,123	7,729	11,906,770	7,688	11,905,822	704	948	69,649
Gadsden ISD #16	2011	12,043,463	8,940	11,967,260	9,038	11,966,565	762	695	75,441
Gadsden ISD #16	2012	12,476,477	14,014	12,385,760	15,552	12,384,671	907	1,089	89,810
Gadsden ISD #16	2013	12,977,641	36,747	12,852,764	80,135	12,850,579	1,249	2,185	123,628
Gadsden ISD #16	2014	13,710,408	201,026	13,516,336	191,021	13,476,013	1,941	40,323	192,131
Gadsden ISD #16	2015	14,378,818	463,488	13,938,166	615,660	13,915,749	4,407	22,417	436,245
Gadsden ISD #16	2016	14,740,222	13,852,843	13,852,843	13,526,236	13,526,236	8,871	326,607	878,256
Total Gadsden ISD #16		124,660,362	14,596,820	122,591,006	14,458,042	122,196,069	20,662	394,937	2,045,516
Total School Districts		426,085,897	47,789,338	421,541,828	47,539,529	420,693,269	45,405	848,559	4,495,077
New Mexico DFA									
N.M. DFA	2007	4,037,710	520	4,029,827	529	4,029,782	77	45	7,594
N.M. DFA	2008	4,518,197	730	4,508,372	782	4,508,346	98	26	9,727
N.M. DFA	2009	4,409,515	914	4,398,932	933	4,398,850	106	82	10,477
N.M. DFA	2010	5,945,755	1,816	5,931,919	1,717	5,931,683	138	236	13,698
N.M. DFA	2011	5,276,960	1,626	5,262,717	1,731	5,262,644	143	73	14,100
N.M. DFA	2012	5,431,665	2,647	5,414,685	3,088	5,414,564	170	121	16,810
N.M. DFA	2013	5,516,734	9,472	5,492,319	21,567	5,491,936	244	383	24,171
N.M. DFA	2014	5,658,621	56,564	5,615,891	49,932	5,603,958	427	11,933	42,303
N.M. DFA	2015	5,847,973	143,707	5,731,041	183,620	5,722,235	1,169	8,806	115,758
N.M. DFA	2016	5,868,091	5,592,597	5,592,597	5,520,795	5,520,795	2,754	71,802	272,662
Total N.M. DFA (Levi & Lvstk)		52,511,221	5,810,593	51,978,300	5,784,694	51,884,793	5,326	93,507	527,300
Dona Ana Branch Community College									
DABCC	2007	6,092,465	841	6,081,040	854	6,080,970	111	70	10,966
DABCC	2008	6,711,902	1,154	6,697,811	1,235	6,697,771	141	40	13,950
DABCC	2009	7,201,703	1,578	7,185,254	1,610	7,185,112	164	142	16,285
DABCC	2010	7,477,055	2,361	7,460,086	2,232	7,459,778	170	308	16,799
DABCC	2011	7,477,061	2,387	7,457,352	2,541	7,457,245	197	107	19,512
DABCC	2012	7,660,273	3,889	7,636,819	4,538	7,636,641	235	178	23,219
DABCC	2013	7,784,889	13,845	7,750,881	31,631	7,750,317	340	564	33,668
DABCC	2014	7,955,035	82,927	7,896,515	73,171	7,878,966	585	17,549	57,935
DABCC	2015	8,207,683	214,266	8,041,670	272,882	8,028,733	1,660	12,937	164,357
DABCC	2016	8,428,358	8,053,310	8,053,310	7,947,922	7,947,922	3,749	105,388	371,184
Total DABCC - NMSU (Oper. & Debt)		74,996,424	8,376,558	74,260,738	8,338,616	74,123,455	7,352	137,283	727,875

State of New Mexico
Doña Ana County
Property Tax Schedule — continued
For the Year Ended June 30, 2017

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Allowance	Undistributed at Year-End	County Receivable at Year-End
Watershed District									
McCleard WD	2007	3,009	-	3,009	-	3,009	-	-	-
McCleard WD	2008	2,991	-	2,991	-	2,991	-	-	-
McCleard WD	2009	2,992	-	2,992	-	2,992	-	-	-
McCleard WD	2010	4,803	-	4,803	-	4,803	-	-	-
McCleard WD	2011	4,786	-	4,786	-	4,786	-	-	-
McCleard WD	2012	4,928	-	4,928	-	4,928	-	-	-
McCleard WD	2013	4,879	32	4,866	32	4,866	-	-	13
McCleard WD	2014	4,854	49	4,841	49	4,841	-	-	13
McCleard WD	2015	4,915	203	4,902	278	4,902	-	-	13
McCleard WD	2016	4,351	4,254	4,254	4,254	4,254	1	-	96
Total McCleard WD		42,508	4,538	42,372	4,613	42,372	1	-	135
Total NMSU, DABCC & Watershed District		127,550,153	14,191,689	126,281,410	14,127,923	126,050,620	12,679	230,790	1,255,310
Soil and Water Conservation District									
Caballo SWCD	2007	-	-	-	-	-	-	-	-
Caballo SWCD	2008	-	-	-	-	-	-	-	-
Caballo SWCD	2009	-	-	-	-	-	-	-	-
Caballo SWCD	2010	-	-	-	-	-	-	-	-
Caballo SWCD	2011	-	-	-	-	-	-	-	-
Caballo SWCD	2012	47,308	-	47,265	4	47,265	-	-	43
Caballo SWCD	2013	48,177	169	47,916	251	47,916	3	-	258
Caballo SWCD	2014	48,402	851	47,924	807	47,837	5	87	473
Caballo SWCD	2015	51,753	3,514	50,124	4,002	50,026	17	98	1,612
Caballo SWCD	2016	51,645	45,778	45,778	45,164	45,165	59	613	5,803
Total Caballo SWCD		247,285	50,312	239,007	50,228	238,209	84	798	8,189
Grand totals		\$ 753,938,037	\$ 123,313,928	\$1,078,169,284	\$ 124,549,166	\$1,076,943,501	\$ 108,571	\$ 1,359,155	\$ 10,748,522

State of New Mexico
Doña Ana County
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2017

#	Control Number	Participants	Responsible Party	Beginning and Ending Dates	Scope of Work	Total Estimated Amount of Project	Contribution June 30, 2017	Audit Responsibility	Revenues and Expenditures Reported
1	90DAC910.1	Elephant Butte Irrigation District	EBID	7/1/1990 Auto-renews	Repair and maintenance of certain dams and flood control structures - Flood Commission at 75%; EBID at 25%	Project cost vary from year to year	\$ -	EBID	DAC
2	95/2910.1	CLC, Mesilla, Hatch, Sunland Park, Anthony, DAC	CLC	6/1995 and amendments Perpetual	Mesilla Valley Regional Dispatch Authority (MVRDA)	Project cost vary from year to year 10001-10110-72535	\$ -	CLC	CLC
3	95/2910.601.004	City of Las Cruces, NM State Police	CLC	6/13/1995 Perpetual	Metro Narcotics - investigation of drug offenses	Project costs vary from year to year 10001-10225-72545	\$ -	CLC	CLC
4	96/2910.19	City of Las Cruces	N/A	5/12/1987 Perpetual	Established a joint City/County Commission for subdivision and zoning matters (Extraterritorial Zoning Commission - ETZ)	Absorbed by General Fund	\$ -	DAC	DAC
5	98/2910.8	Town of Mesilla	DAC	4/9/1997 Perpetual	DAC to perform plan review services and permit inspections. County can collect standard building permit fee.	Absorbed by General Fund	\$ -	DAC	DAC
6	98/2910.9	Village of Hatch	DAC	5/25/1997 Perpetual	DAC to perform plan review services and permit inspections. County can collect standard building permit fee.	Absorbed by General Fund	\$ -	DAC	DAC
7	99/2910.18	Las Cruces, Mesilla, Hatch, Sunland Park, NMSU, EBID Anthony Water & Sanitation District	LRGWO	10/8/1996 Perpetual	Lower Rio Grande Water Users Organization to complete and implement regional water plan.	Absorbed by General Fund	\$ -	CLC	CLC
8	99/2910.21	DAC Flood Commissioner	DAC	3/13/1990 Perpetual	DAC provides in-kind services; personnel and office space	Project costs vary from year to year	\$ -	DAC	DAC

State of New Mexico
Doña Ana County
Schedule of Joint Powers Agreements — continued
For the Year Ended June 30, 2017

#	Control Number	Participants	Responsible Party	Beginning and Ending Dates	Scope of Work	Total Estimated Amount of Project	Contribution June 30, 2017	Audit Responsibility	Revenues and Expenditures Reported
9	00/2910.22	City of Las Cruces, Town of Mesilla	N/A	12/21/1989 Perpetual	Metropolitan Planning Organization	Project cost vary from year to year 10001-10110-72493	\$ -	CLC	CLC
10	04-0015	NM Taxation and Revenue Department	TRD	10/3/2003 Perpetual	Dac to issue taxpayer NM CRS ID numbers	Project costs vary from year to year	\$ -	TRD	TRD
11	09-039	City of Las Cruces-Animal Services	CLC	10/30/2008 Perpetual	Mesilla Valley Animal Services Center	Project cost vary from year to year	\$ -	CLC	CLC
12	09-191	City of Sunland Park	CSP/DAC	2/24/2009 Perpetual	Camino Real Regional Utility Authority	Project cost vary from year to year	\$ -	CRRUA	CRRUA
13	10-167	ENMRD - Forestry Division	DAC/Forestry	1/18/2010 Perpetual	Wildland Fire Protection and Suppression. Replaces JPA executed 3/2/83 and JPA 79-521-2300-0028.	Per event NTE \$750,000.00		DAC	DAC
14	16-178	South Central Regional Transit District (SCRTD)	SCRTD	3/16/2016 Perpetual	Spells out reimbursement terms for Public Transportation to areas covered in the transit plan.	annually 10001-10110-72493	\$ -	SCRTD or South Central COG	SCRTD

Legend

CLC - City of Las Cruces
CRRUA - Camino Real Regional Utility Authority
DAC - Doña Ana County
EMNRD - Energy, Minerals and Natural Resources Department
LRGWUO - Lower Rio Grande Water Users Organization
MVRDA - Mesilla Valley Regional Dispatch Authority
TRD - New Mexico Taxation and Revenue Department
SCRTD - South Central Regional Transit District

Single Audit Section

State of New Mexico
Doña Ana County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Funding Source/Grant/Contract Title	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Expenditures
U.S. Department of Agriculture			
Rural Utility Services			
Water and Waste Disposal Loans and Grants (Section 306C)	10.770		\$ 103,877
Total U.S. Department of Agriculture			<u>103,877</u>
U.S. Department of Defense			
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	HQ0005151051	282,134
Total U.S. Department of Defense			<u>282,134</u>
U.S. Department of the Interior			
Passed through New Mexico Bureau of Land Management			
Distribution of Receipts to State and Local Governments	15.227	L13PX00452 Opt Yr 3 - 5/1/16 Start Date	10,415
Distribution of Receipts to State and Local Governments	15.227	L13PX00452 Opt Yr 4 - 5/1/17 Start Date	9,067
Total U.S. Department of the Interior			<u>19,482</u>
U.S. Department of Justice			
Joint Law Enforcement Operations (JLEO)			
Marshals Service - Joint Law Enforcement Operations	16.111	JLEOTFS4	15,013
Marshals Service - Violent Offender Fugitive Task Force/ OP Take Back 2014	16.111	DAC MOU#14-062	6,784
FBI - Gang Grant (Agreement)	16.111		13,582
DEA Projects	16.111		6,157
			<u>41,536</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX0853	24,839
Total U.S. Department of Justice			<u>66,375</u>
U.S. Department of Transportation			
State and Community Highway Safety			
STEP Grant	20.600	17-ST-02-031	25,805
STEP Grant	20.600	16-ST-RF-031	3,285
STEP Grant (100 Days and Night of Summer)	20.600	16-DS-PT-031	38,489
Distracted Driving DNTXT	20.600	16-DD-02-031	1,700
			<u>69,279</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated			
Operation DWI	20.608	17-AL-64-031	13,967
Operation DWI	20.608	16-AL-64-031	10,577
Traffic and Criminal Software (TraCS)	20.608	16-HE-64-P01, P03, P04	115,562
			<u>140,106</u>
Airport Improvement Grant	20.106	3-35-0055-022-20172	71,243

State of New Mexico
Doña Ana County
Schedule of Expenditures of Federal Awards — continued
For the Year Ended June 30, 2017

Funding Source/Grant/Contract Title	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Expenditures
U.S. Department of Transportation - continued			
Passed through New Mexico State Highway and Transportation Department Highway Planning and Construction	20.205	LC00110	\$ 3,472
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0579-16-01-00	<u>1,980</u>
Total U.S. Department of Transportation			<u>286,080</u>
U.S. Department of Health and Human Services			
Passed through Optum Health-NM Substant Abuse and Mental Health Services Projects of Regional and National Significance	93.243	PDO Funding Code:BF30	71,256
Passed through New Mexico Department of Health Public Health Emergency Preparedness	93.069	PO#66500-0000145855/ 1NU90TP921865-01-00	2,987
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	MOA #17/665.0300.20584/5NU50CK000413	<u>85,823</u> 88,810
Assisted Outpatient Treatment	93.997	1H79SM063538-01 Revised	<u>236,802</u>
Total U.S. Department of Health and Human Services			<u>396,868</u>
U.S. Department of Homeland Security			
Federal Emergency Management Agency (FEMA) Emergency Management Performance Grants	97.042	2015-EP-00066-S01 (Per Diem)	443
Emergency Management Performance Grants	97.042	EMT-2016-EP-00005-S01-DAC	<u>150,862</u> <u>151,305</u>
Homeland Security Grant Program	97.067	2014-SS-00030-S01-DAC	12,264
Homeland Security Grant Program	97.067	EMW-2015-SS-00110	149,503
Homeland Security Grant Program	97.067	EMW-2014-SS-00030-S01-DASO OPSG	157,234
Homeland Security Grant Program	97.067	EMW-2015-SS-00110-S01-DASO OPSG	605,181
Homeland Security Grant Program	97.067	EMW-2016-SS-00105-DAC	<u>4,108</u> <u>928,290</u>
Total U.S. Department of Homeland Security			<u>1,079,595</u>
Total expenditures of federal awards			<u>\$ 2,234,411</u>

State of New Mexico
Doña Ana County
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Dona Ana County (the “County”). The County’s reporting entity is defined in Note 1 to the County’s financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position and changes in net position of the County.

2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County did not use the 10% de minimis indirect cost rate.

3) Federal Financial Assistance

Federal awards consist of federal financial assistance and federal cost-reimbursement contracts that nonfederal entities receive directly from federal awarding agencies or indirectly from pass-through entities.

As of and for the year ended June 30, 2017, the County did not use any subrecipients to conduct its federal programs and therefore there are no amounts paid or passed through to subrecipients.

4) Loan Proceeds

During the year ended June 30, 2017, the County did not receive or spend loan proceeds from the U.S. Department of Agriculture (USDA). The total amount of loans payable to USDA as of June 30, 2017, was \$325,000. These loans do not contain continuing compliance requirements and therefore are not reported as federal awards expended in the accompanying schedule of expenditures of federal awards.

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*

Mr. Wayne Johnson, New Mexico State Auditor
and

To the Honorable Members of the Board of County Commissioners
Doña Ana County, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds, of Doña Ana County (the "County") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated December 1, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

REDW LLC

Phoenix, Arizona
December 1, 2017

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Mr. Wayne Johnson, New Mexico State Auditor
and
To the Honorable Members of the Board of County Commissioners
Doña Ana County, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Doña Ana County, New Mexico, (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

REDW LLC

Phoenix, Arizona
December 1, 2017

State of New Mexico
Doña Ana County
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I — Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Internal control over compliance for major federal programs: Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

State of New Mexico
Doña Ana County
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2017

Section I — Summary of Auditor's Results — continued

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish
between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

State of New Mexico
Doña Ana County
Schedule of Findings and Questioned Costs — continued
For the Year Ended June 30, 2017

Section II — Financial Statement Findings

None.

Section III — Federal Award Findings

None.

Section IV — Section 12-6-5 NMSA 1978 Findings

None.

State of New Mexico
Doña Ana County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017

Prior-Year Number	Description	Current Status
<hr/>		
None.		

State of New Mexico
Doña Ana County
Exit Conference
For the Year Ended June 30, 2017

An exit conference was held on November 21, 2017, with the following in attendance:

Doña Ana County Officials

Billy G. Garrett, Commissioner District 1
Benjamin Rawson, Commissioner District 3
Chuck McMahon, Interim County Manager
Eric Rodriguez, Treasurer
Fernando Macias, District Judge / Upcoming County Manager
Vincent Pohluda, Assistant County Manager
Joey Rowe, Director of Finance
Nasreen Nelson, CPA, CGMA, Controller
Raquel Quiroga, Accountant III-Finance
Mireya Moreno, Accountant III-Finance
Pat Dillaway, Accountant III-Treasurer's Office

REDWLLC Personnel

Stephen Harris, Principal
Chris Bitakis, Senior Manager
Daniela Moya, Supervisor

Financial Statement Preparation

The County's independent public accountants prepared the accompanying financial statements; however, the County is responsible for the contents of the financial statements and related footnotes.