



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

DOÑA ANA COUNTY

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

For the Year Ended June 30, 2019

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
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FOR THE YEAR ENDED JUNE 30, 2019**

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DOÑA ANA COUNTY
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**STATE OF NEW MEXICO
DOÑA ANA COUNTY
OFFICIAL ROSTER
AS OF JUNE 30, 2019**

County Officials

Name	Title
Lynn Ellins	Chair, Commissioner – District 1
Ramon S. Gonzales	Commissioner – District 2
Shannon Reynolds	Chair, Commissioner – District 3
Isabella Solis	Vice-Chair, Commissioner – District 4
Manuel Sanchez	Commissioner – District 5

Administrative Officials

Name	Title
Fernando R. Macias	County Manager
Chuck McMahan	Assistant County Manager
Vincent S. Pokluda	Assistant County Manager

INDEPENDENT AUDITOR'S REPORT

The Board of County Commissioners
State of New Mexico, Doña Ana County and
Mr. Brian Colón, State Auditor
State of New Mexico, Office of the State Auditor

Report on Financial Statements

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 (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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, 2019, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the 2019 beginning balance of net position has been restated to record the pollution remediation liability. Our opinion is not modified with respect to these matters.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, and the schedules related to Net Pension Liabilities and Net OPEB Liabilities, listed as "*Required Supplemental Information*" in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements, that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and the schedule of changes in the fiduciary assets and liabilities-agency funds, as listed in the table of contents, as supplementary information, are presented for purposes of additional analysis and are not required part of the basic financial statements.

The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not required part of the basic financial statements. The other schedules, as required by 2.2.2 NMAC, as listed as other supplementary information in the table of contents, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statements and schedules, listed as supplementary and other supplementary information in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements and schedules were fairly stated, in all material respects, in relation to the basic 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 2, 2019 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hinkle & Landers, P.C." in a cursive script.

Hinkle + Landers, P.C.
Albuquerque, NM
December 2, 2019

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Doña Ana County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended June 30, 2019. 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 2019 with \$326,812,903 in total assets; this is roughly a 5% increase in assets when compared to the \$310,213,986 in fiscal year 2018. Total liabilities for net position increased by roughly 21% or \$24,069,095 to \$141,239,289; while total net position increased slightly by roughly 0.3% or \$637,683 to complete the fiscal year at \$201,403,646.
- Net Position for Governmental Activities increased 0.8% or \$1,310,340 to end the fiscal year at \$166,604,620; while Business-Type Activities decreased by 1.9% or \$672,655 for a fiscal year net position balance of \$34,799,028. Overall revenues slightly increased by 5.8% to \$148,551,511 and expenditures increased by roughly 2% to \$140,553,968.
- The County's financial analysis of County Governmental Funds indicates an increase in total assets of \$39,814,152 or 42% to \$134,231,528; total liabilities increased by \$14,783,274 or 104%, while total fund balance increased by \$25,030,878.
- Total bonded debt at June 30, 2019 for the County was \$15,823,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic 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 basic 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 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 fiscal year 2019. 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).

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, and Community Development. The business-type activities of the County include Water, Wastewater, and Fleet Funds.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

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, special revenue, debt service and capital projects funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements are identified in the table of contents of this report.

Proprietary Fund

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 operations. An internal service fund is utilized to charge costs of fleet maintenance to individual funds.

The basic proprietary fund financial statements are identified in the table of contents of this report.

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.

The basic fiduciary fund financial statements are identified in the table of contents of this report.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Notes to the 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. The notes to the financial statements are identified in the table of contents of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found in this report, as identified in the table of contents.

The combining statements referred to earlier in connection with Nonmajor funds and Nonmajor proprietary funds are presented in the supplementary information section of this report. Combining schedules are identified in the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Broad Overview of Finances)

The County implemented the new financial reporting model required by Accounting Standards Board Statement No. 34 in fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the County, as a whole.

Dona Ana County Condensed Schedule of Net Position As of June 30, 2019 and 2018						
	2019	2018	2019 Business- Type Activities	2018 Business- Type Activities	2019 Total Primary Government	2018 Total Primary Government
	Governmental Activities	Governmental Activities				
Assets:						
Current and other assets	\$ 115,215,554	94,827,900	1,800,841	1,359,513	117,016,395	96,187,413
Capital assets	173,108,901	176,313,607	36,687,607	37,712,966	209,796,508	214,026,573
Total assets	<u>288,324,455</u>	<u>271,141,507</u>	<u>38,488,448</u>	<u>39,072,479</u>	<u>326,812,903</u>	<u>310,213,986</u>
Deferred outflows of resources	<u>23,853,668</u>	<u>16,394,495</u>	-	-	<u>23,853,668</u>	<u>16,394,495</u>
Total assets and deferred outflows of resources	<u>\$ 312,178,123</u>	<u>287,536,002</u>	<u>38,488,448</u>	<u>39,072,479</u>	<u>350,666,571</u>	<u>326,608,481</u>
Liabilities:						
Current liabilities	\$ 16,534,787	12,514,925	756,217	436,393	17,291,004	12,951,318
Non-current liabilities	121,015,082	101,054,473	2,933,203	3,164,403	123,948,285	104,218,876
Total liabilities	<u>137,549,869</u>	<u>113,569,398</u>	<u>3,689,420</u>	<u>3,600,796</u>	<u>141,239,289</u>	<u>117,170,194</u>
Deferred inflows of resources	<u>8,023,634</u>	<u>8,672,324</u>	-	-	<u>8,023,634</u>	<u>8,672,324</u>
Net Position:						
Net investment in capital assets	155,608,508	157,344,264	33,540,883	34,337,242	189,149,391	191,681,506
Restricted	62,955,486	62,766,067	-	-	62,955,486	62,766,067
Unrestricted	(51,959,374)	(54,816,051)	1,258,145	1,134,441	(50,701,229)	(53,681,610)
Total net position	<u>166,604,620</u>	<u>165,294,280</u>	<u>34,799,028</u>	<u>35,471,683</u>	<u>201,403,648</u>	<u>200,765,963</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 312,178,123</u>	<u>287,536,002</u>	<u>38,488,448</u>	<u>39,072,479</u>	<u>350,666,571</u>	<u>326,608,481</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

The largest portion of the County's net assets reflects its 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 their debt needed to be repaid must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities

Governmental activities increased the County's net position by \$1,310,340 to \$166,604,620.

Business-Type Activities

Net position of business-type activities decreased by \$672,655 to \$34,799,028 at June 30, 2019. There were no significant changes to the types of services provided by the County's enterprise funds during fiscal year 2019.

	2019	2018	2019	2018	2019	2018
	Governmental	Governmental	Business-	Business-	Total	Total
	Activities	Activities	Type	Type	Primary	Primary
			Activities	Activities	Government	Government
Revenues						
<u>Program Revenues</u>						
Changes for services	\$ 19,072,747	17,748,509	1,920,455	1,698,007	20,993,202	19,446,516
Operating grants and contributions	6,209,139	6,076,534	-	401,423	6,209,139	6,477,957
Capital grants and contributions	10,471,483	15,911,862	796,039	-	11,267,522	15,911,862
<u>General Revenue</u>						
Taxes, penalties and interest	100,804,490	97,366,260	-	-	100,804,490	97,366,260
Investment income	2,149,685	292,564	19,472	17,178	2,169,157	309,742
Other revenue	7,151,436	2,611,211	66,757	75,747	7,218,193	2,686,958
Special item	-	(1,737,889)	-	-	-	(1,737,889)
Gain(loss) on disposition of capital assets	(24,015)	(4,157)	(86,177)	-	(110,192)	(4,157)
Total Revenue	145,834,965	138,264,894	2,716,546	2,192,355	148,551,511	140,457,249
Expenses						
General governmental	43,848,014	41,707,139	-	-	43,848,014	41,707,139
Public safety	64,013,235	56,228,266	-	-	64,013,235	56,228,266
Public works	11,931,847	20,973,227	-	-	11,931,847	20,973,227
Health and welfare	16,228,565	13,182,430	-	-	16,228,565	13,182,430
Economic development	46,645	220,802	-	-	46,645	220,802
Bond interest	539,198	672,101	50,489	54,319	589,687	726,420
Fiscal agent's fees	728	1,941	-	-	728	1,941
Wastewater	-	-	3,495,867	4,201,203	3,495,867	4,201,203
Other utility services	-	-	399,380	395,803	399,380	395,803
Total Expenses	136,608,232	132,985,906	3,945,736	4,651,325	140,553,968	137,637,231
Increase in net position before transfers	9,226,733	5,278,988	(1,229,190)	(2,458,970)	7,997,543	2,820,018
Transfers	(556,535)	(1,365,421)	556,535	1,365,421	-	-
Change in net assets	8,670,198	3,913,567	(672,655)	(1,093,549)	7,997,543	2,820,018
Net Position-Beginning of year	165,294,280	178,629,375	35,471,683	36,564,769	200,765,963	215,194,144
Restatements of net position	(7,359,858)	(17,248,662)	-	463	(7,359,858)	(17,248,199)
Net Position-Beginning of year, restated	157,934,422	161,380,713	35,471,683	36,565,232	193,406,105	197,945,945
Net Position-End of year	\$ 166,604,620	165,294,280	34,799,028	35,471,683	201,403,648	200,765,963

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

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.

Dona Ana County
Condensed Balance Sheet of Governmental Funds
As of June 30, 2019 and 2018

	2019 General Fund	2018 General Fund	2019 Fire Districts	2018 Fire Districts	2019 State Appropriations	2018 State Appropriations
Assets						
Pooled cash and investment	\$ 62,272,431	32,573,212	10,837,529	9,079,716	699,552	-
Interest receivable	298,903	159,002	22,136	5,903	1,429	-
Taxes receivable, net allowance	8,182,498	7,153,135	-	-	-	-
Accounts receivable, net	6,049,785	6,841,252	317,470	351,764	-	-
Grants receivables	5,000	-	22,584	491,234	1,036,020	9,009,209
Due from other funds	341,702	17,385	-	-	-	-
Inventories and prepaids	8,285	7,235	-	-	-	-
Total assets	\$ 77,158,604	46,751,221	11,199,719	9,928,617	1,737,001	9,009,209
Liabilities and Fund Balance						
Liabilities						
A/P, accruals and other liabilities \$	17,075,790	3,476,751	463,077	210,019	1,598,034	2,550,509
Deferred inflows of resources	7,684,136	6,701,134	-	-	-	-
Total liabilities	24,759,926	10,177,885	463,077	210,019	1,598,034	2,550,509
Fund Balance						
Nonspendable	8,285	7,235	-	-	-	-
Restricted	22,517,038	21,994,948	10,736,642	9,718,598	138,967	6,458,700
Committed	2,660,158	3,310,069	-	-	-	-
Assigned	10,201,445	5,474,915	-	-	-	-
Unassigned	17,011,752	5,786,169	-	-	-	-
Total fund balances	52,398,678	36,573,336	10,736,642	9,718,598	138,967	6,458,700
Total liabilities, deferred inflows of resources, and fund balance	\$ 77,158,604	46,751,221	11,199,719	9,928,617	1,737,001	9,009,209

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Dona Ana County
Condensed Balance Sheet of Governmental Funds
As of June 30, 2019 and 2018

	2019	2018	2019	2018	2019	2018
	Debt	Debt	Nonmajor	Nonmajor	Total	Total
	Service	Service	Governmental	Governmental	Governmental	Governmental
	Fund	Fund	Funds	Funds	Funds	Funds
Assets						
Pooled cash and investment	\$ 1,403,578	1,374,040	28,295,416	13,658,211	113,121,224	65,913,218
Interest receivable	829	247	42,728	6,018	385,659	177,170
Taxes receivable, net allowance	39,922	38,631	276,939	-	8,776,298	7,452,415
Accounts receivable, net	-	-	2,443,361	2,542,601	8,810,616	9,735,617
Grants receivables	-	-	1,340,964	1,606,151	2,787,744	11,114,336
Due from other funds	-	-	-	-	341,702	17,385
Inventories and prepaids	-	-	-	-	8,285	7,235
Total assets	\$ <u>1,444,329</u>	<u>1,412,918</u>	<u>32,399,408</u>	<u>17,812,981</u>	<u>134,231,528</u>	<u>94,417,376</u>
Liabilities and Fund Balance						
Liabilities						
A/P, accruals and other liabilities	-	-	1,461,663	928,270	20,745,273	7,197,378
Deferred inflows of resources	34,965	34,529	243,181	-	8,205,463	6,970,084
Total liabilities	<u>34,965</u>	<u>34,529</u>	<u>1,704,844</u>	<u>928,270</u>	<u>28,950,736</u>	<u>14,167,462</u>
Fund Balance						
Nonspendable	-	-	-	-	8,285	7,235
Restricted	1,404,407	1,374,287	28,158,432	13,983,354	72,858,063	62,766,067
Committed	4,957	4,102	2,395,077	2,757,639	5,060,192	6,071,810
Assigned	-	-	146,872	146,872	10,348,317	5,621,787
Unassigned	-	-	(5,817)	(3,154)	17,005,935	5,783,015
Total fund balances	<u>1,409,364</u>	<u>1,378,389</u>	<u>30,694,564</u>	<u>16,884,711</u>	<u>105,280,792</u>	<u>80,249,914</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ <u>1,444,329</u>	<u>1,412,918</u>	<u>32,399,408</u>	<u>17,812,981</u>	<u>134,231,528</u>	<u>94,417,376</u>

As of the end of fiscal year 2019, the County's governmental funds reported combined ending fund balances of \$105,280,792 an increase of \$25,030,878 in comparison with the prior year. The general fund ending fund balance at the end of fiscal year 2019 is reported at \$52,398,678, which is an increase of \$15,825,342.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Dona Ana County
Condensed Statement of Revenues, Expenditures, And Changes In Fund Balances
As of June 30, 2019 and 2018

	2019 General Fund	2018 General Fund	2019 Fire Districts	2018 Fire Districts	2019 State Appropriations	2018 State Appropriations
Operating						
Total revenues	\$ 103,294,596	93,786,131	3,930,484	4,332,733	8,854,919	14,100,681
Total expenditures	(89,233,749)	(87,187,374)	(2,834,766)	(4,041,339)	(8,843,333)	(13,984,903)
Other Financing Sources						
Transfers in	47,837,354	42,539,397	1,600,000	1,877,674	-	6,331,319
Transfers out	(46,072,859)	(52,377,017)	(1,677,674)	(1,800,000)	(6,331,319)	-
Total other financing sources/(uses)	1,764,495	(9,837,620)	(77,674)	77,674	(6,331,319)	6,331,319
Net changes in fund balance	15,825,342	(3,238,863)	1,018,044	369,068	(6,319,733)	6,447,097
Fund balance-beginning of year	36,573,336	39,432,281	9,718,598	9,349,530	6,458,700	11,603
Restatements of fund balance	-	379,918	-	-	-	-
Fund balance-beginning of year, restated	36,573,336	39,812,199	9,718,598	9,349,530	6,458,700	11,603
Fund balance-end of year	\$ 52,398,678	36,573,336	10,736,642	9,718,598	138,967	6,458,700

	2019 Debt Service Fund	2018 Debt Service Fund	2019 Nonmajor Governmental Funds	2018 Nonmajor Governmental Funds	2019 Total Governmental Funds	2018 Total Governmental Funds
Operating						
Total revenues	\$ 679,929	641,161	26,251,814	22,447,973	146,569,293	137,905,770
Total expenditures	(1,969,426)	(4,182,320)	(23,537,707)	(20,723,785)	(129,310,135)	(132,996,207)
Other Financing Sources						
Transfers in	1,320,472	1,479,175	4,448,863	4,776,371	55,206,689	57,003,936
Transfers out	-	(155,018)	(2,589,297)	(4,459,759)	(56,671,149)	(58,791,794)
Total other financing sources/(uses)	1,320,472	1,324,157	1,859,566	316,612	(1,464,460)	(1,787,858)
Net changes in fund balance	30,975	(2,217,002)	4,573,673	2,040,800	15,794,698	3,121,705
Fund balance-beginning of year	1,378,389	3,311,910	26,120,891	14,843,911	89,486,094	76,464,810
Restatements of fund balance	-	283,481	-	-	-	663,399
Fund balance-beginning of year, restated	1,378,389	3,595,391	26,120,891	14,843,911	89,486,094	77,128,209
Fund balance-end of year	\$ 1,409,364	1,378,389	30,694,564	16,884,711	105,280,792	80,249,914

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

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 business-type 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 \$34,799,028.

Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities and capital assets.

Dona Ana County
Condensed Statement of Revenues, Expenditures, And Changes In Fund Net Position
For The Years Ended June 30, 2019 and 2018

	2019 South Central Wastewater	2018 South Central Wastewater	2019 Chaparral Wastewater System	2018 Chaparral Wastewater System		
Total operating revenues	\$ 1,410,057	1,227,297	291,410	287,168		
Total operating expenditures	<u>(2,112,268)</u>	<u>(2,900,039)</u>	<u>(768,581)</u>	<u>(651,283)</u>		
Net income From operations	(702,211)	(1,672,742)	(477,171)	(364,115)		
Non-operating revenue (expenses)	<u>(42,493)</u>	11,481	758,918	395,595		
Net income	(744,704)	(1,661,261)	281,747	31,480		
Net transfers in/(out)	<u>300,534</u>	996,277	76,659	72,571		
Change in net position	(444,170)	(664,984)	358,406	104,051		
Net Position-beginning of year	17,800,730	18,465,714	7,108,618	7,004,567		
Restatements of net position	-	-	-	-		
Net Position-beginning of year, restated	<u>17,800,730</u>	<u>18,465,714</u>	<u>7,108,618</u>	<u>7,004,567</u>		
Net Position-end of year	<u>\$ 17,356,560</u>	<u>17,800,730</u>	<u>7,467,024</u>	<u>7,108,618</u>		
	2019 Nonmajor Enterprise Funds	2018 Nonmajor Enterprise Funds	2019 Total Enterprise Funds	2018 Total Enterprise Funds	2019 Internal Service Fund	2018 Internal Service Fund
Total operating revenues	\$ 285,745	259,289	1,987,212	1,773,754	1,804,152	1,823,562
Total operating expenditures	<u>(1,014,398)</u>	<u>(1,045,684)</u>	<u>(3,895,247)</u>	<u>(4,597,006)</u>	<u>(2,856,779)</u>	<u>(2,805,316)</u>
Net income From operations	(728,653)	(786,395)	(1,908,035)	(2,823,252)	(1,052,627)	(981,754)
Non-operating revenue (expenses)	<u>(37,580)</u>	<u>(42,794)</u>	678,845	364,282	-	-
Net income	(766,233)	(829,189)	(1,229,190)	(2,458,970)	(1,052,627)	(981,754)
Net transfers in/(out)	<u>179,342</u>	296,573	556,535	1,365,421	907,925	422,437
Change in net position	(586,891)	(532,616)	(672,655)	(1,093,549)	(144,702)	(559,317)
Net Position-beginning of year	10,562,335	11,094,488	35,471,683	36,564,769	2,373,839	2,933,156
Restatements of net position	-	463	-	463	-	-
Net Position-beginning of year, restated	<u>10,562,335</u>	<u>11,094,951</u>	<u>35,471,683</u>	<u>36,565,232</u>	<u>2,373,839</u>	<u>2,933,156</u>
Net Position-end of year	<u>\$ 9,975,444</u>	<u>10,562,335</u>	<u>34,799,028</u>	<u>35,471,683</u>	<u>2,229,137</u>	<u>2,373,839</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

GENERAL FUND BUDGETARY ANALYSIS

- The General Fund revenue budget increased \$3,344,023 from \$90,623,483 to a final budget of \$93,967,506.
- The County's General Fund actual revenues at fiscal year-end totaled \$103,538,568 versus a budget of \$93,967,506 and were over budget by \$9,571,062.
- The General Fund expenditure budget increased approximately \$3,434,206 from \$90,178,767 to a final budget of \$93,612,973.
- The County's General Fund actual expenditures at fiscal year-end totaled \$87,200,270 versus a budget of \$93,612,973 and were under budget by \$6,412,703.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital asset projects completed this fiscal year include:

- Caballo R56 Shelter
- Countywide Public Safety Simulcast System
- Spaceport Road/County Roads
- OneRain Alert 2 Weather Stations (3)/Repeater (A Mountain)
- DASO New World Application/Software Implementation
- X-Block Lift Station
- Santa Teresa Jetport/West Taxiway Ph II/Taxiway D

Road projects completed this fiscal year include:

- Tortugas Road/Drainage
- Prescott/Anthony Rd
- McCombs Road
- Berino Area Roads/Drainage
- Senna Road
- Byrum Road
- Yucca Road Ph I/Ph II
- Butterfield Boulevard

Long-Term Debt

The County's outstanding long-term debt increased by \$19,986,706 or 19% during the fiscal year 2019. Notes payable decreased by \$394,186 or 8%. Bonded debt decreased by \$1,276,000 by 7% during the fiscal year.

At the end of fiscal year 2019 the County had total long-term debt outstanding to various agencies of \$127,966,070.

Additional information on the County's debt can be found in Note 7 in the Notes to the Financial Statements section of the report, as identified in the table of contents.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Dona Ana County
Condensed Schedule of Outstanding Debt
As of June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total Activity	
	2019	2018	2019	2018	2019	2018
Compensated absences	\$ 5,288,070	5,319,625	116,592	110,044	5,404,662	5,429,669
General obligation bonds	5,620,000	5,890,000	-	-	5,620,000	5,890,000
Revenue bonds	9,525,000	10,365,000	313,000	319,000	9,838,000	10,684,000
Special assessment district bonds	365,000	525,000	-	-	365,000	525,000
Notes payable	1,671,983	1,843,169	2,833,724	3,056,724	4,505,707	4,899,893
Pollution remediation	7,359,858	-	-	-	7,359,858	-
Net Pension Liability	72,130,030	60,142,920	-	-	72,130,030	60,142,920
Net OPEB Liability	22,742,813	20,407,882	-	-	22,742,813	20,407,882
Total Outstanding Debt	\$ 124,702,754	104,493,596	3,263,316	3,485,768	127,966,070	107,979,364

Economic Outlook

Doña Ana County's unemployment rate increased to 6.3%. Compared to last year unemployment was 6.0%. The statewide unemployment rate has similarly shown little change from a year ago. Compared to the Nation and the State of New Mexico, Las Cruces has experienced a strong economic growth over the past years. There was a decrease in business registrations compared to prior year. The housing market continues to grow in Doña Ana County. Median listing home prices has increased compared to prior year, which indicates an increase in property tax revenue.

According to the Las Cruces Economic Development there has been an increase of 400 jobs. This created a positive impact to the local economy.

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 an 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 30, 2020.

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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	104,207	104,207
Investments	95,017,738	986,255	96,003,993
Accounts receivables, net	8,816,856	438,207	9,255,063
Taxes receivables	8,499,359	-	8,499,359
Grants receivables	2,404,568	270,157	2,674,725
Interest receivables	366,025	2,015	368,040
Inventory and prepaid expenses	111,008	-	111,008
Total current assets	<u>115,215,554</u>	<u>1,800,841</u>	<u>117,016,395</u>
Non-current assets:			
Land and construction in progress	25,519,642	1,243,715	26,763,357
Other capital assets, net of accumulated depreciation	147,589,259	35,443,892	183,033,151
Total non-current assets	<u>173,108,901</u>	<u>36,687,607</u>	<u>209,796,508</u>
Total assets	<u>288,324,455</u>	<u>38,488,448</u>	<u>326,812,903</u>
Deferred outflows of resources			
Pension deferral	21,473,577	-	21,473,577
OPEB deferral	2,380,091	-	2,380,091
Total deferred outflows of resources	<u>23,853,668</u>	<u>-</u>	<u>23,853,668</u>
Total assets and deferred outflows of resources	<u>\$ 312,178,123</u>	<u>38,488,448</u>	<u>350,666,571</u>
LIABILITIES			
Current liabilities:			
Cash and cash equivalents overdraft	\$ 3,385,927	-	3,385,927
Accounts payable	3,101,428	317,567	3,418,995
Accrued payroll liabilities	1,566,627	10,964	1,577,591
Accrued interest payable	111,283	21,412	132,695
Bonds and notes payable	1,432,628	257,243	1,689,871
Compensated absences	3,305,044	72,870	3,377,914
Unearned revenue	3,294,230	-	3,294,230
Bond premium, net	318,410	-	318,410
Other liabilities	19,210	76,161	95,371
Total current liabilities	<u>16,534,787</u>	<u>756,217</u>	<u>17,291,004</u>
Long-term liabilities:			
Compensated absences - long-term portion	1,983,026	43,722	2,026,748
Bonds and notes payable - long-term portion	15,749,355	2,889,481	18,638,836
Pollution remediation	7,359,858	-	7,359,858
Net pension liability	72,130,030	-	72,130,030
Net OPEB liability	22,742,813	-	22,742,813
Contingent liability	1,050,000	-	1,050,000
Total long-term liabilities	<u>121,015,082</u>	<u>2,933,203</u>	<u>123,948,285</u>
Total liabilities	<u>137,549,869</u>	<u>3,689,420</u>	<u>141,239,289</u>
Deferred inflows of resources			
Pension deferral	5,663,751	-	5,663,751
OPEB deferral	2,359,883	-	2,359,883
Total deferred outflows of resources	<u>8,023,634</u>	<u>-</u>	<u>8,023,634</u>
NET POSITION			
Net investment in capital assets	155,608,508	33,540,883	189,149,391
Restricted for:			
Other purposes	62,955,486	-	62,955,486
Unrestricted	<u>(51,959,374)</u>	<u>1,258,145</u>	<u>(50,701,229)</u>
Total net position	<u>166,604,620</u>	<u>34,799,028</u>	<u>201,403,648</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 312,178,123</u>	<u>38,488,448</u>	<u>350,666,571</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Program	Expenses	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position		
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 43,848,014	18,165,224	85,914	-	(25,596,876)	-	(25,596,876)
Public safety	64,013,235	341,833	3,415,468	1,035,180	(59,220,754)	-	(59,220,754)
Public works	11,931,847	299,981	602,905	9,419,742	(1,609,219)	-	(1,609,219)
Health and welfare	16,228,565	265,709	2,098,813	16,561	(13,847,482)	-	(13,847,482)
Economic development	46,645	-	6,039	-	(40,606)	-	(40,606)
Debt service interest	539,198	-	-	-	(539,198)	-	(539,198)
Fiscal agent's fees	728	-	-	-	(728)	-	(728)
Total governmental activities	<u>136,608,232</u>	<u>19,072,747</u>	<u>6,209,139</u>	<u>10,471,483</u>	<u>(100,854,863)</u>	<u>-</u>	<u>(100,854,863)</u>
Business-Type Activities:							
Wastewater services	3,495,867	1,920,455	-	-	-	(1,575,412)	(1,575,412)
Other utility services	399,380	-	-	796,039	-	396,659	396,659
Debt service interest	50,489	-	-	-	-	(50,489)	(50,489)
Total Business-type activities	<u>3,945,736</u>	<u>1,920,455</u>	<u>-</u>	<u>796,039</u>	<u>-</u>	<u>(1,229,242)</u>	<u>(1,229,242)</u>
Total primary government	<u>\$ 140,553,968</u>	<u>20,993,202</u>	<u>6,209,139</u>	<u>11,267,522</u>	<u>(100,854,863)</u>	<u>(1,229,242)</u>	<u>(102,084,105)</u>
General Revenues:							
Taxes:							
Property taxes				\$ 46,867,007	-		46,867,007
Gas tax				708,988	-		708,988
Gross receipts				47,165,948	-		47,165,948
Payment in lieu of tax				3,454,721	-		3,454,721
Penalties and interest				1,342,374	-		1,342,374
Other taxes				1,265,452	-		1,265,452
License and permits				407,065	-		407,065
Rent and royalties				4,608,272	-		4,608,272
Miscellaneous				2,136,099	66,757		2,202,856
Gain/(loss) on disposition of capital assets				(24,015)	(86,177)		(110,192)
Investment earnings				2,149,685	19,472		2,169,157
Operating transfers, net				(556,535)	556,535		-
Total general revenues and transfers				<u>109,525,061</u>	<u>556,587</u>		<u>110,081,648</u>
Change in net position				8,670,198	(672,655)		7,997,543
Net position, beginning				165,294,280	35,471,683		200,765,963
Restatements				(7,359,858)	-		(7,359,858)
Net position, beginning restated				<u>157,934,422</u>	<u>35,471,683</u>		<u>193,406,105</u>
Net position, ending				<u>\$ 166,604,620</u>	<u>34,799,028</u>		<u>201,403,648</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

	General Fund	Special Revenue Fund			Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		Fire Districts	23111 State Appropriations				
ASSETS							
Cash and cash equivalents	\$ -	204,453	-	-	911,535	7,374,780	8,490,768
Investments	62,272,431	10,633,076	699,552	-	492,043	20,920,636	95,017,738
Receivables							
Accounts receivables, net	6,049,785	317,470	-	-	-	2,443,361	8,810,616
Taxes receivable	8,182,498	-	-	39,922	-	276,939	8,499,359
Grants receivable	5,000	22,584	1,036,020	-	-	1,340,964	2,404,568
Interest receivable	298,903	22,136	1,429	829	-	42,728	366,025
Total receivables	14,536,186	362,190	1,037,449	40,751	-	4,103,992	20,080,568
Due from other funds	341,702	-	-	-	-	-	341,702
Prepaid expenses & inventories	8,285	-	-	-	-	-	8,285
Total assets	\$ 77,158,604	11,199,719	1,737,001	1,444,329	32,399,408	123,939,061	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Cash and cash equivalents overdraft	\$ 12,364,214	-	-	-	-	-	12,364,214
Accounts payable	1,989,418	238,508	276,317	-	-	519,161	3,023,404
Accrued payroll liabilities	1,474,672	-	-	-	-	81,131	1,555,803
Due to other funds	-	-	-	-	-	341,703	341,703
Unearned revenue	1,231,776	224,569	1,321,717	-	-	516,168	3,294,230
Other liabilities	15,710	-	-	-	-	3,500	19,210
Total liabilities	17,075,790	463,077	1,598,034	-	-	1,461,663	20,598,564
Deferred inflows of resources							
Property taxes	3,137,587	-	-	34,965	-	243,181	3,415,733
Derived tax revenues	4,546,549	-	-	-	-	-	4,546,549
Total deferred inflows of resources	7,684,136	-	-	34,965	-	243,181	7,962,282
FUND BALANCES							
Nonspendable	8,285	-	-	-	-	-	8,285
Restricted	22,517,038	10,736,642	138,967	1,404,407	-	28,158,432	62,955,486
Committed	2,660,158	-	-	4,957	-	2,395,077	5,060,192
Assigned	10,201,445	-	-	-	-	146,872	10,348,317
Unassigned	17,011,752	-	-	-	-	(5,817)	17,005,935
Total fund balance	52,398,678	10,736,642	138,967	1,409,364	-	30,694,564	95,378,215
Total liabilities, deferred inflows of resources, and fund balances	\$ 77,158,604	11,199,719	1,737,001	1,444,329	32,399,408	123,939,061	

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

Amount reported for governmental activities in the statement of net position are different because:

Total fund balance - total governmental funds	\$	95,378,215
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet (less Internal Service Funds).		171,299,684
Internal service funds are used by management to charge the cost of certain activities, such as insurance and 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. Internal Service Fund balances not included in other reconciling items:		2,229,137
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:		
Bonds and notes payable		(15,749,355)
Compensated absences (less Internal Service Funds)		(1,950,133)
Contingent liabilities		(1,050,000)
Pollution remediation		(7,359,858)
Bond underwriter premium, net of accumulated amortization		(318,410)
Net pension related deferrals and liability		(56,320,204)
Net OPEB related deferrals and liability		(22,722,605)
Other current liabilities (bonds payable) are not available to pay for current period expenditures and therefore are deferred in the funds:		
Accrued interest payable		(111,283)
Bonds payable		(1,432,628)
Compensated absences (less Internal Service Funds)		(3,250,223)
Revenues not collected within sixty days after year end are considered "available" revenues and are considered to be "unavailable" revenues in the fund financial statements, but are considered revenue in the Statement of Activities:		
Property taxes		3,415,733
Derived tax revenue		4,546,549
Rounding		<u>1</u>
Net position of governmental activities	\$	<u><u>166,604,620</u></u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Special Revenue Fund</u>				<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Fire Districts</u>	<u>23111 State Appropriations</u>	<u>Debt Service Fund</u>		
REVENUES						
Taxes						
Property taxes	\$ 43,733,899	-	-	474,651	2,535,156	46,743,706
Gas tax	708,988	-	-	-	-	708,988
Gross receipts	29,149,300	1,777,456	-	-	15,370,294	46,297,050
Payment in lieu of tax	3,258,980	-	-	195,741	-	3,454,721
Penalties and interest	1,342,374	-	-	-	-	1,342,374
Other taxes	-	-	-	-	1,265,452	1,265,452
Licenses and permits	407,065	-	-	-	-	407,065
Intergovernmental						
State operating grants	91,574	1,906,384	-	-	1,912,434	3,910,392
State capital grants	861,661	-	8,843,333	-	109,930	9,814,924
Federal operating grants	5,000	-	-	-	2,293,747	2,298,747
Federal capital grants	-	-	-	-	656,559	656,559
Charges for services	16,437,420	-	-	-	857,037	17,294,457
Contributions/donations	-	16,152	-	-	-	16,152
Investment earnings	1,523,474	201,915	11,586	9,537	403,171	2,149,683
Rents and royalties	4,282,286	10,100	-	-	291,634	4,584,020
Other revenue	1,492,575	18,477	-	-	556,400	2,067,452
Total revenues	<u>103,294,596</u>	<u>3,930,484</u>	<u>8,854,919</u>	<u>679,929</u>	<u>26,251,814</u>	<u>143,011,742</u>
EXPENDITURES						
Current:						
General government	32,045,163	-	-	-	3,719,772	35,764,935
Public safety	46,284,404	1,900,533	38,097	-	1,431,857	49,654,891
Public works	8,008,668	-	-	-	2,072,545	10,081,213
Health and welfare	58,524	-	-	-	13,126,000	13,184,524
Economic development	-	-	-	-	39,699	39,699
Debt service:						
Principal payments	-	-	-	1,390,302	-	1,390,302
Interest payments	-	-	-	578,396	-	578,396
Fiscal agent's fees	-	-	-	728	-	728
Capital outlay:						
Capital outlay	2,836,990	934,233	8,805,236	-	3,147,834	15,724,293
Total expenditures	<u>\$ 89,233,749</u>	<u>2,834,766</u>	<u>8,843,333</u>	<u>1,969,426</u>	<u>23,537,707</u>	<u>126,418,981</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 14,060,847</u>	<u>1,095,718</u>	<u>11,586</u>	<u>(1,289,497)</u>	<u>2,714,107</u>	<u>16,592,761</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	47,837,354	1,600,000	-	1,320,472	4,448,863	55,206,689
Transfers out	(46,072,859)	(1,677,674)	(6,331,319)	-	(2,589,297)	(56,671,149)
Total other financing sources (uses)	<u>1,764,495</u>	<u>(77,674)</u>	<u>(6,331,319)</u>	<u>1,320,472</u>	<u>1,859,566</u>	<u>(1,464,460)</u>
Net change in fund balance	15,825,342	1,018,044	(6,319,733)	30,975	4,573,673	15,128,301
Fund balances-beginning of year	<u>36,573,336</u>	<u>9,718,598</u>	<u>6,458,700</u>	<u>1,378,389</u>	<u>26,120,891</u>	<u>80,249,914</u>
Fund balances-end of the year	<u>\$ 52,398,678</u>	<u>10,736,642</u>	<u>138,967</u>	<u>1,409,364</u>	<u>30,694,564</u>	<u>95,378,215</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

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

Net change in fund balance - total governmental funds	\$	15,128,301
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital expenditures recorded in capital outlay		15,724,293
Capital expenditures recorded in other expense lines		344,548
<p>In the Statement of Activities, a (loss)/gain is recorded for assets that are removed from service that are not fully depreciated. Thus, the change in net position differs from the change in fund balance by the amount of (loss)/gain recorded for deleted capital assets.</p>		
		(24,015)
<p>Depreciation expense on capital assets, excluding internal service fleet fund, is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore depreciation expense is not reported as expenditure in governmental funds.</p>		
		(18,934,326)
<p>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.</p>		
		(144,702)
<p>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.</p>		
Amortization of bond premiums		27,762
Change in accrued interest		11,436
Change in noncurrent and current compensated absences		40,866
Principal payments on long-term debt payable from CRRUA		50,884
Principal payments on long-term debt payable		1,390,302
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Pension expense		(4,891,649)
OPEB expense		(1,322,529)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:</p>		
Change in deferred inflows related to property taxes		123,301
Change in deferred inflows related to derived tax revenue		868,897
Change in contingent liability		276,827
Rounding		2
Change in net position of governmental activities	\$	8,670,198

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	\$ 71,214,769	73,167,091	74,959,420	1,792,329
Payment in lieu of tax	3,140,000	3,140,000	3,258,980	118,980
Licenses and permits	403,500	403,500	407,065	3,565
Intergovernmental revenue and grants	608,906	1,605,755	1,529,283	(76,472)
Charges for services	14,023,842	14,023,842	16,219,848	2,196,006
Investment earnings	347,368	347,368	1,453,567	1,106,199
Rent and royalties	151,214	151,214	4,292,971	4,141,757
Other revenue	733,884	1,128,736	1,417,434	288,698
Total revenues	<u>90,623,483</u>	<u>93,967,506</u>	<u>103,538,568</u>	<u>9,571,062</u>
EXPENDITURES				
Current:				
General government	33,545,618	34,099,627	31,824,990	2,274,637
Public safety	47,115,380	47,815,654	45,652,735	2,162,919
Public works	8,318,853	8,566,900	7,917,524	649,376
Health and welfare	200,000	200,000	58,106	141,894
Capital outlay	998,916	2,930,792	1,746,915	1,183,877
Total expenditures	<u>90,178,767</u>	<u>93,612,973</u>	<u>87,200,270</u>	<u>6,412,703</u>
Excess (deficiency) of revenues over (under) expenditures	444,716	354,533	16,338,298	15,983,765
OTHER FINANCING SOURCES (USES)				
Transfers in	45,386,663	46,855,508	46,747,279	(108,229)
Transfers out	<u>(44,323,965)</u>	<u>(46,072,859)</u>	<u>(46,072,859)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,062,698</u>	<u>782,649</u>	<u>674,420</u>	<u>(108,229)</u>
Excess (deficiency of revenues over expenditures and other financing sources (uses)	1,507,414	1,137,182	<u>17,012,718</u>	<u>15,875,536</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Total	\$ <u>1,507,414</u>	<u>1,137,182</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 17,012,718	
To adjust applicable revenue accruals and deferrals			(243,973)	
To adjust applicable expenditure accruals			(2,033,478)	
Transfer in of capital asset			<u>1,090,075</u>	
Change in fund balance (GAAP basis)			<u>\$ 15,825,342</u>	

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE DISTRICTS - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Approved Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes	\$ 1,558,299	1,803,570	1,803,570	-
Intergovernmental revenue and grants	2,761,223	3,130,996	2,373,995	(757,001)
Investment earnings	75,324	75,324	185,682	110,358
Rent and royalties	12,000	12,000	18,365	6,365
Other revenue	-	16,152	34,629	18,477
Total revenues	<u>4,406,846</u>	<u>5,038,042</u>	<u>4,416,241</u>	<u>(621,801)</u>
EXPENDITURES				
Current:				
Public safety	3,794,045	3,933,345	1,870,882	2,062,463
Capital outlay	<u>4,550,660</u>	<u>5,094,263</u>	<u>934,233</u>	<u>4,160,030</u>
Total expenditures	<u>8,344,705</u>	<u>9,027,608</u>	<u>2,805,115</u>	<u>6,222,493</u>
Excess (deficiency) of revenues over (under) expenditures	(3,937,859)	(3,989,566)	1,611,126	5,600,692
OTHER FINANCING SOURCES (USES)				
Transfers in	1,600,000	1,600,000	1,600,000	-
Transfers out	<u>(1,677,674)</u>	<u>(1,677,674)</u>	<u>(1,677,674)</u>	<u>-</u>
Total other financing sources (uses)	<u>(77,674)</u>	<u>(77,674)</u>	<u>(77,674)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(4,015,533)	(4,067,240)	<u>1,533,452</u>	<u>5,600,692</u>
Budgeted cash carryover	<u>4,015,533</u>	<u>4,067,240</u>		
Total	\$ <u>-</u>	<u>-</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 1,533,452	
To adjust applicable revenue accruals and deferrals			(485,758)	
To adjust applicable expenditure accruals			<u>(29,650)</u>	
Change in fund balance (GAAP basis)			<u>\$ 1,018,044</u>	

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE APPROPRIATIONS (23111) - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Approved Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental revenue and grants	\$ 18,671,912	21,201,320	14,187,410	(7,013,910)
Investment earnings	-	-	10,157	10,157
Total revenues	<u>18,671,912</u>	<u>21,201,320</u>	<u>14,197,567</u>	<u>(7,003,753)</u>
EXPENDITURES				
Current:				
Public safety	470,000	470,000	38,098	431,902
Capital outlay	<u>11,839,023</u>	<u>14,368,431</u>	<u>9,384,702</u>	<u>4,983,729</u>
Total expenditures	<u>12,309,023</u>	<u>14,838,431</u>	<u>9,422,800</u>	<u>5,415,631</u>
Excess (deficiency) of revenues over (under) expenditures	6,362,889	6,362,889	4,774,767	(1,588,122)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(6,331,319)</u>	<u>(6,331,319)</u>	<u>(6,331,319)</u>	-
Total other financing sources (uses)	<u>(6,331,319)</u>	<u>(6,331,319)</u>	<u>(6,331,319)</u>	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	31,570	31,570	<u>(1,556,552)</u>	<u>(1,588,122)</u>
Budgeted cash carryover	-	-		
Total	\$ <u>31,570</u>	<u>31,570</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (1,556,552)
To adjust applicable revenue accruals and deferrals	(5,342,647)
To adjust applicable expenditure accruals	<u>579,466</u>
Change in fund balance (GAAP basis)	\$ <u>(6,319,733)</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
PROPRIETARY FUNDS
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2019**

	Business-Type Activities				Governmental Activities
	50044 South Central Wastewater	50070 Chaparral Wastewater System	Total Non-major Enterprise Funds	Total Enterprise Funds	60020 Internal Service Fund Fleet
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 100	103,762	345	104,207	487,519
Investments	663,442	-	322,813	986,255	-
Receivables					
Accounts receivables, net	178,802	229,027	30,378	438,207	6,240
Grants receivables	3,834	266,323	-	270,157	-
Interest receivable	1,355	-	660	2,015	-
Total receivables	183,991	495,350	31,038	710,379	6,240
Prepaid expenses & inventories	-	-	-	-	102,723
Total current assets	847,533	599,112	354,196	1,800,841	596,482
Non-current assets:					
Capital assets, net	18,590,190	7,660,133	10,437,284	36,687,607	1,809,217
Total non-current assets	18,590,190	7,660,133	10,437,284	36,687,607	1,809,217
Total assets	\$ 19,437,723	8,259,245	10,791,480	38,488,448	2,405,699
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 3,271	314,277	19	317,567	78,024
Accrued interest payable	10,468	5,229	5,715	21,412	-
Accrued payroll liabilities	6,702	2,451	1,811	10,964	10,824
Compensated absences	39,295	12,374	21,201	72,870	54,821
Bonds and notes payable	175,206	12,437	69,600	257,243	-
Other liabilities	51,045	12,645	12,471	76,161	-
Total current liabilities	285,987	359,413	110,817	756,217	143,669
Non-current liabilities:					
Bonds and notes payable	1,771,600	425,382	692,499	2,889,481	-
Compensated absences	23,576	7,426	12,720	43,722	32,893
Total non-current liabilities	1,795,176	432,808	705,219	2,933,203	32,893
Total liabilities	2,081,163	792,221	816,036	3,689,420	176,562
NET POSITION					
Net investment in capital assets	16,643,384	7,222,314	9,675,185	33,540,883	1,809,217
Unrestricted	713,176	244,710	300,259	1,258,145	419,920
Total net position	17,356,560	7,467,024	9,975,444	34,799,028	2,229,137
Total liabilities and net position	\$ 19,437,723	8,259,245	10,791,480	38,488,448	2,405,699

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities				Governmental Activities
	50044 South Central Wastewater	50070 Chaparral Wastewater System	Total Non-major Enterprise Funds	Total Enterprise Funds	60020 Internal Service Fund Fleet
OPERATING REVENUES					
Charges for services	\$ 94,109	50,332	17,369	161,810	1,778,290
Charges for sewerage service	1,269,749	230,745	258,151	1,758,645	-
Other revenue	46,199	10,333	10,225	66,757	25,862
Total operating revenues	<u>1,410,057</u>	<u>291,410</u>	<u>285,745</u>	<u>1,987,212</u>	<u>1,804,152</u>
OPERATING EXPENSES					
Personnel services - salaries and wages	291,644	107,515	76,265	475,424	437,079
Personnel services - employee benefits	144,550	57,943	45,302	247,795	225,781
Professional and technical services	102,623	-	29,139	131,762	20,043
Utilities	132,755	34,718	27,765	195,238	13,269
Other operating expenses	601,317	34,820	305,091	941,228	1,717,505
Depreciation	839,379	533,585	530,836	1,903,800	443,102
Total operating expenses	<u>2,112,268</u>	<u>768,581</u>	<u>1,014,398</u>	<u>3,895,247</u>	<u>2,856,779</u>
Operating income (loss)	(702,211)	(477,171)	(728,653)	(1,908,035)	(1,052,627)
NON-OPERATING REVENUES (EXPENSES)					
Gain (loss) on sale of property	(86,177)	-	-	(86,177)	-
Intergovernmental					
State capital grants	26,565	765,640	-	792,205	-
Federal capital grants	3,834	-	-	3,834	-
Investment earnings	13,285	-	6,187	19,472	-
Interest expense	-	(6,722)	(43,767)	(50,489)	-
Total non-operating revenues (expenses)	<u>(42,493)</u>	<u>758,918</u>	<u>(37,580)</u>	<u>678,845</u>	<u>-</u>
Income (loss) before transfers	(744,704)	281,747	(766,233)	(1,229,190)	(1,052,627)
Transfers in	488,052	92,066	522,291	1,102,409	1,998,000
Capital transfer out	-	-	-	-	(1,090,075)
Transfers out	(187,518)	(15,407)	(342,949)	(545,874)	-
Total transfers in (out)	<u>300,534</u>	<u>76,659</u>	<u>179,342</u>	<u>556,535</u>	<u>907,925</u>
Change in net position	(444,170)	358,406	(586,891)	(672,655)	(144,702)
Beginning net position	17,800,730	7,108,618	10,562,335	35,471,683	2,373,839
Net position-end of the year	<u>\$ 17,356,560</u>	<u>7,467,024</u>	<u>9,975,444</u>	<u>34,799,028</u>	<u>2,229,137</u>

See Independent Auditor's Report.
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, 2019**

	Business-Type Activities				Governmental Activities
	50044 South Central Wastewater	50070 Chaparral Wastewater System	Total Non-major Enterprise Funds	Total Enterprise Funds	60020 Internal Service Fund Fleet
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 1,263,288	(196,518)	261,075	1,327,845	1,775,570
Payments to employees	(432,375)	(162,963)	(121,332)	(716,670)	(653,549)
Payments to suppliers	(791,386)	257,713	(349,994)	(883,667)	(1,760,452)
Other receipts/(payments)	46,199	10,333	10,225	66,757	25,862
<i>Net cash provided (used) by operating activities</i>	<u>85,726</u>	<u>(91,435)</u>	<u>(200,026)</u>	<u>(205,735)</u>	<u>(612,569)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfers from other funds	488,052	92,066	522,291	1,102,409	1,998,000
Transfers to other funds	(187,518)	(15,407)	(342,949)	(545,874)	-
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>300,534</u>	<u>76,659</u>	<u>179,342</u>	<u>556,535</u>	<u>1,998,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(42,300)	(922,320)	-	(964,620)	(127,897)
Proceeds from issuance of debt	-	23,580	-	23,580	-
Principal payments	(157,814)	(12,437)	(82,329)	(252,580)	-
Interest payments	-	(6,722)	(43,767)	(50,489)	-
Intergovernmental capital grants	30,399	765,640	-	796,039	-
Capital transfer out	-	-	-	-	(1,090,075)
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>(169,715)</u>	<u>(152,259)</u>	<u>(126,096)</u>	<u>(448,070)</u>	<u>(1,217,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	-	-	192,282	192,282	-
Purchase of investments	(262,370)	-	(86,564)	(348,934)	-
Interest and dividends	13,285	-	6,187	19,472	-
<i>Net cash provided by (used for) investing activities</i>	<u>(249,085)</u>	<u>-</u>	<u>111,905</u>	<u>(137,180)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(32,540)	(167,035)	(34,875)	(234,450)	167,459
Balances - beginning of year	32,640	270,797	35,220	338,657	320,060
Balances - end of year	<u>\$ 100</u>	<u>103,762</u>	<u>345</u>	<u>104,207</u>	<u>487,519</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities			Governmental Activities	
	50044 South Central Wastewater	50070 Chaparral Wastewater System	Total Non-major Enterprise Funds	Total Enterprise Funds	60020 Internal Service Fund Fleet
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:					
Operating income/(loss)	\$ (702,211)	(477,171)	(728,653)	(1,908,035)	(1,052,627)
Adjustments:					
Depreciation expense	839,379	533,585	530,836	1,903,800	443,102
Bad debt expense	50,245	11,182	12,052	73,479	-
Change in assets and liabilities:					
Receivables	(100,570)	(477,595)	(14,445)	(592,610)	(2,720)
Inventories and prepaid expenses	-	-	-	-	1,606
Accounts payable	(3,823)	314,102	(1,583)	308,696	(13,002)
Accrued expenses and other liabilities	(1,113)	1,967	1,532	2,386	1,761
Compensated absences	3,819	2,495	235	6,549	9,311
Net cash provided by (used for) operating activities	\$ <u>85,726</u>	<u>(91,435)</u>	<u>(200,026)</u>	<u>(205,735)</u>	<u>(612,569)</u>

See Independent Auditor's Report.
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
FIDUCIARY FUNDS
AS OF JUNE 30, 2019**

		<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$	1,476,208
Taxes receivable, net of allowance		6,972,215
Other receivables		<u>637</u>
Total Assets	\$	<u><u>8,449,060</u></u>
LIABILITIES		
Taxes paid in advance	\$	376,510
Taxes in suspense		1,095,522
Due to others		897,450
Future collectible tax		<u>6,079,578</u>
Total Liabilities	\$	<u><u>8,449,060</u></u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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.

A. 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.

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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

B. Basis of Presentation

Government-Wide Statements – The Statement of Net Position and the Statement of Activities display information about the government (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 non-exchange 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.

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

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.

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 subsidies 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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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

Governmental funds

- Special Revenue Fund – *Fire Districts* accounts for the operation and maintenance of the sixteen volunteer fire districts throughout the County of Doña Ana, in accordance with NMSA 7-20E-1 5. Funding is provided from the State Fire Fund.
- Special Revenue Fund – *State Appropriations (23111)* accounts for various appropriations from the State Legislature for various projects.
- Debt Service Fund – *Debt Service Fund* accounts for the County's accumulation of resources for, and the payment of governmental fund debt principal and interest.

Proprietary funds

- Enterprise Fund – *Chaparral Wastewater System (50070)* accounts for the service activities of the wastewater system.
- Enterprise Fund – *South Central Wastewater (50044)* 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.
- *Fiduciary Funds* account for monies held by the County in a custodial capacity. As a result, they do not report operations.

C. Measurement Focus and 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. The government-wide and propriety fund financial statements are reported using 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. Property taxes are recognized as revenues in the year for which they are billed net of estimated refunds and uncollectible amounts.

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.

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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

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.

D. 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.

E. 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.

The County also participates in the State Treasurer Local Government Investment Pool. State law and regulations regulate this pool. Investment in the pool is reported at carrying amount, which reasonably estimates fair value.

F. 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.

G. Inventories and Prepaid Items

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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

H. 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 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 being 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.

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

<u>Asset Type</u>	<u>Years</u>
Land	Perpetuity
Construction in progress	Perpetuity
Land Improvements	10
Buildings and Improvements	10 - 40
Furniture, fixtures, and equipment	3-15
Vehicles	5 - 15
Infrastructure	5-50

I. Unearned Revenue

The County reports unearned revenue on its financial statements. When resources are received in advance of charges for services being earned are in advance of any eligibility requirement other than a time requirement being met for government-mandated or voluntary nonexchange transactions (i.e. for intergovernmental revenues), a liability is reported for the unearned revenue.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet for governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

The County has the following deferred outflows of resources during fiscal year 2019 on the government wide financials:

Deferred Outflows of Resources - GW	
Pension deferrals	\$ 21,473,577
OPEB deferrals	2,380,091
Total deferred outflows of resources	\$ 23,853,668

In addition to liabilities, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, 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 has the following deferred inflows of resources during fiscal year 2019 on the fund financials:

Deferred Inflows of Resources - Fund Financials	
Property tax revenue	\$ 3,415,733
Derived tax revenues	4,546,549
Total deferred inflows of resources	\$ 7,962,282

The County has the following deferred inflows of resources during fiscal year 2019 on the government wide financials:

Deferred Inflows of Resources - GW	
Pension deferrals	\$ 5,663,751
OPEB deferrals	2,359,883
Total deferred inflows of resources	\$ 8,023,634

K. 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.

L. 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 position. For bonds issued after GASB 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 fund financial reporting, bond premiums, discounts as well as 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.

STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

M. 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 “invested in capital assets, net of related debt.”

N. GASB Statement 54

Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *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).
- *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.

The New Mexico Department of Finance and Administration (DFA) requires that 3/12 of the FY2020 budgeted expenditures in the General Fund be restricted as subsequent-year expenditures to provide adequate cash reserves. Additionally, the DFA imposes a County Road Fund Reserve requirement for the County of 1/12 of the FY2020 total Road Fund budgeted expenditures. The General Fund includes

STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

the Road Fund, which has been reserved at 3/12. See the Schedule of Fund Balances, as listed in the table of contents.

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 2019 fund balance for FY2020 projected budgetary deficit per GASB 54, Par 16. FY2019 and FY2020 budget (estimated revenues and expenditures) have no effect on GASB 54 net fund balance.

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

When an expense is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expense 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.

O. 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 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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, for the general fund and major special revenue funds, 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, 2019 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.

P. Income Taxes

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

Q. 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.

R. 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 Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA's. 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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS

The County's cash balances consist of demand deposits, interest bearing savings accounts, money market accounts and repurchase agreements. The repurchase agreements have varying interest rates and maturity dates. The majority of County's cash and investments are pooled. All interest income is accounted for in the related funds. The County's cash and cash equivalents and investments are listed in this report as listed in the table of contents.

The following is a summary of the County's cash and investment balances as of June 30, 2019:

<u>Cash and investments</u>	<u>Amount</u>
Cash and cash equivalents	
Cash on hand	\$ 9,512
Cash	(2,268,797)
Debt service reserve - held in trust	453,773
Subtotal cash and cash equivalents	<u>(1,805,512)</u>
Investments	
Money markets and savings	42,870,241
Certificates of deposit	31,019,788
County bond	5,060,000
US treasury notes and bonds	1,391,273
US agency securities	15,662,691
Subtotal investments	<u>96,003,993</u>
Total cash and investments	<u>\$ 94,198,481</u>
<u>Fund Type</u>	<u>Amount</u>
Cash and equivalents	
Governmental funds	\$ (3,873,446)
Internal service fund	487,519
Total governmental activities	<u>(3,385,927)</u>
Business-type activities	104,207
Fiduciary funds	1,476,208
Subtotal cash and cash equivalents	<u>(1,805,512)</u>
Investments	
Governmental funds	<u>95,017,738</u>
Total governmental activities	95,017,738
Business-type activities	986,255
Subtotal investments	<u>96,003,993</u>
Total cash and investments	<u>\$ 94,198,481</u>

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 fifty percent 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 County's Schedule of Collateral is presented in this report, as stated in the table of contents.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

A summary of the County's investments as of June 30, 2019 is as follows:

Investment Type	2019	Rating*	Weighted Average Maturity (Years)	Fair Value***
CD's	\$ 31,019,788	****	< 5	N/A
Money Market and Savings	42,870,241	****	N/A	N/A
US Treasury Notes and Bonds	1,391,273	Not Rated	< 9	1
County Bond	5,060,000	Not Rated	< 15	1
Federal Farm Credit	4,560,202	Aaa	< 4	1
Federal Home Loan Bank	2,613,604	Aaa	< 4	1
Federal Home Loan Mortgage Corp	4,336,183	Aaa	< 5	1
Federal Agricultural Mortgage Corp	500,320	Not Rated	< 3	1
Federal National Mortgage	2,277,818	Aaa	< 5	1
Fannie Mae/Freddie Mac	1,374,564	Aaa	< 5	1
	<u>\$ 96,003,993</u>			

*Based on Moody's rating

**LGIP, collateralized by State

***See Note 3. Fair Value Measurements Using: Quoted prices in active markets for identical assets

****Certificate of Deposit, Money Market, Savings, FDIC insured and/or collateralized

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. The County does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

As of June 30, 2019, the County's bank and investment balances of \$32,778,403 were exposed to custodial credit risk as follows:

Uninsured, collateralized with securities held by pledging financial institution's trust department or agent in the County's name.	\$ 14,865,937
Uninsured and uncollateralized	-
Total uninsured deposits	<u>\$ 14,865,937</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. All are fully collateralized, and the collateral is held in the County's name.

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%. The County's investments are diversified to avoid including concentration of credit risk. With the exception of authorized pools, no more than 50% of the total investment portfolio is in one single security type or financial institution.

**STATE OF NEW MEXICO
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FOR THE YEAR ENDED JUNE 30, 2019**

Credit Risk - The County's investments shall be 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, Strips, and US 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 per 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. The County's investment policy follows New Mexico State Statute Section 6-10-36E (NMSA, 1978 Comp) requiring the interest rate on time deposits shall not be less than the rate fixed by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States Treasury bills of the same maturity on the day of deposit.

Foreign Currency Risk - Deposits and Investments - The County is not exposed to the risk that exchange rates will adversely affect the fair value of an investment as none of the investments pools or certificates of deposit are dominated in a foreign currency.

NOTE 3 – FAIR VALUE MEASUREMENT

The County holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the County's mission, the County determines that the disclosures related to these investments only need to be disaggregated by major type. The County chooses a table format for the fair value disclosures.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- **Market approach:** this uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- **Cost approach:** this technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- **Income approach:** this approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

GASB 72 establishes a hierarchy of inputs to the valuation techniques listed above.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy's three levels are as follows:

Level 1

Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. (Examples: equity securities traded on an open market, actively traded mutual funds, and US treasuries)

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Level 2

Are significant other observable inputs

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices that are observable for the asset or liability, such as:
 1. Interest rates and yield curves observable at commonly quoted intervals,
 2. Implied volatilities, and
 3. Credit spreads.
- d) Market-corroborated inputs.

(Examples: a bond valued using market corroborated inputs such as yield curves, a bond valued using matrix pricing, and an interest rate swap valued using the LIBOR swap rate observed at commonly quoted intervals for the full term of the swap)

Level 3

Are significant unobservable inputs for an asset or liability (Examples: Commercial real estate valued using a forecast of cash flows based on a university's own data and an interest rate swap valued using data that is neither directly observable nor corroborated by observable market data)

See Note 2 for the County's recurring fair value measurements as of June 30, 2019.

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NOTE 4 – RECEIVABLES

Receivables at year-end of the County's major individual funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Governmental Activities

	General Fund	Fire Districts	State Appropriations
Accounts	\$ 6,407,442	317,470	-
Taxes:			
Property	8,182,498	-	-
Grants	5,000	22,584	1,036,020
Interest	298,903	22,136	1,429
Subtotal	<u>14,893,843</u>	<u>362,190</u>	<u>1,037,449</u>
Less: Allowance for uncollectibles	<u>(357,657)</u>	<u>-</u>	<u>-</u>
Net Receivables	<u>\$ 14,536,186</u>	<u>362,190</u>	<u>1,037,449</u>

	Debt Service	Nonmajor Funds	Internal Service Fund	Total Receivables
Accounts	\$ -	2,467,681	6,240	9,198,833
Taxes:				
Property	40,301	276,939	-	8,499,738
Grants	-	1,340,964	-	2,404,568
Interest	829	42,728	-	366,025
Subtotal	<u>41,130</u>	<u>4,128,312</u>	<u>6,240</u>	<u>20,469,164</u>
Less: Allowance for uncollectibles	<u>(379)</u>	<u>(24,320)</u>	<u>-</u>	<u>(382,356)</u>
Net Receivables	<u>\$ 40,751</u>	<u>4,103,992</u>	<u>6,240</u>	<u>20,086,808</u>

Business-type Activities

	Chaparral Wastewater System	South Central Wastewater	Nonmajor Enterprise Funds	Total Receivables
Accounts	\$ 344,329	535,777	136,153	1,016,259
Grants	266,323	3,834	-	270,157
Interest	-	1,355	660	2,015
Subtotal	<u>610,652</u>	<u>540,966</u>	<u>136,813</u>	<u>1,288,431</u>
Less: Allowance for uncollectibles	<u>(115,302)</u>	<u>(356,975)</u>	<u>(105,775)</u>	<u>(578,052)</u>
Net Receivables	<u>\$ 495,350</u>	<u>183,991</u>	<u>31,038</u>	<u>710,379</u>

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NOTE 5 – 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.

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 2019, the County charged the following mil rates:

<u>Tax District</u>	<u>Residential</u>	<u>Non-residential</u>
02 (Las Cruces-In)	0.031508	0.03454
03 (Las Cruces-Out)	0.023921	0.026674
04 Mesilla	0.024949	0.029014
11 (Hatch-In)	0.032152	0.034935
12 (Hatch-Out)	0.026702	0.029435
16 (Sunland Park-In)	0.037015	0.040973
17 Unincorporated (Anthony/Chaparral)	0.030544	0.033323
18 Incorporated (Anthony)	0.033094	0.035873

The County’s share of the property taxes equal approximately 35.81% of the total property taxes levied and is 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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NOTE 6 – CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows. Land and construction in progress are not subject to depreciation.

GOVERNMENTAL ACTIVITIES <i>includes Internal Service Funds</i>	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Non-depreciable capital assets:					
Land	\$ 8,132,956	269,593	-	-	8,402,549
Construction in progress	24,482,157	12,761,074	-	(20,126,136)	17,117,095
Total non-depreciable capital assets	<u>32,615,113</u>	<u>13,030,667</u>	<u>-</u>	<u>(20,126,136)</u>	<u>25,519,644</u>
Capital assets being depreciated:					
Land improvements	7,910,753	-	-	-	7,910,753
Buildings and improvements	108,437,131	19,633	-	7,620	108,464,384
Furniture, fixtures, & equipment	28,335,178	1,357,262	(2,635,934)	4,557,584	31,614,090
Vehicles	37,150,897	1,789,175	(1,277,843)	-	37,662,229
Infrastructure	298,127,707	-	-	15,560,932	313,688,639
Total capital assets being depreciated	<u>479,961,666</u>	<u>3,166,070</u>	<u>(3,913,777)</u>	<u>20,126,136</u>	<u>499,340,095</u>
Less accumulated depreciation for:					
Land improvements	(6,634,879)	(237,567)	-	-	(6,872,446)
Buildings and improvements	(57,707,269)	(4,805,340)	-	-	(62,512,609)
Furniture, fixtures, & equipment	(23,389,226)	(1,823,628)	2,622,407	-	(22,590,447)
Vehicles	(22,948,180)	(2,870,601)	1,267,355	-	(24,551,426)
Infrastructure	(225,583,618)	(9,640,292)	-	-	(235,223,910)
Total accumulated depreciation	<u>(336,263,172)</u>	<u>(19,377,428)</u>	<u>3,889,762</u>	<u>-</u>	<u>(351,750,838)</u>
Total capital assets being depreciated	<u>143,698,494</u>	<u>(16,211,358)</u>	<u>(24,015)</u>	<u>20,126,136</u>	<u>147,589,257</u>
Total capital assets, net of depreciation	<u>\$ 176,313,607</u>	<u>(3,180,691)</u>	<u>(24,015)</u>	<u>-</u>	<u>173,108,901</u>
	Balance				Balance
BUSINESS-TYPE ACTIVITIES	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Non-depreciable capital assets:					
Land	\$ 279,095	-	-	-	279,095
Construction in progress	1,560,148	964,618	-	(1,560,146)	964,620
Total non-depreciable capital assets	<u>1,839,243</u>	<u>964,618</u>	<u>-</u>	<u>(1,560,146)</u>	<u>1,243,715</u>
Capital assets being depreciated:					
Land improvements	-	-	-	25,578	25,578
Buildings and improvements	135,204	-	-	-	135,204
Furniture, fixtures, & equipment	895,288	-	(25,905)	-	869,383
Vehicles	761,287	-	-	-	761,287
Infrastructure	55,100,838	-	(221,409)	1,534,568	56,413,997
Total capital assets being depreciated	<u>56,892,617</u>	<u>-</u>	<u>(247,314)</u>	<u>1,560,146</u>	<u>58,205,449</u>
Less accumulated depreciation for:					
Land improvements	-	(2,551)	-	-	(2,551)
Buildings and improvements	(71,532)	(12,735)	-	-	(84,267)
Furniture, fixtures, & equipment	(872,113)	(16,911)	25,905	-	(863,119)
Vehicles	(528,385)	(36,560)	-	-	(564,945)
Infrastructure	(19,546,864)	(1,835,043)	135,232	-	(21,246,675)
Total accumulated depreciation	<u>(21,018,894)</u>	<u>(1,903,800)</u>	<u>161,137</u>	<u>-</u>	<u>(22,761,557)</u>
Total capital assets being depreciated	<u>35,873,723</u>	<u>(1,903,800)</u>	<u>(86,177)</u>	<u>1,560,146</u>	<u>35,443,892</u>
Total capital assets, net of depreciation	<u>\$ 37,712,966</u>	<u>(939,182)</u>	<u>(86,177)</u>	<u>-</u>	<u>36,687,607</u>

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Depreciation expense for the year ended June 30, 2019 was charged to the following functions and funds:

Governmental activities:	
General government	\$ 5,829,878
Public safety	9,096,022
Public works	1,695,467
Health and welfare	2,306,013
Economic development	6,946
Total	<u>18,934,326</u>
Internal service fund	443,102
Total governmental activities	<u>\$ 19,377,428</u>
Business type activities	<u>\$ 1,903,800</u>

NOTE 7 – LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Increases	Decreases	Restatement	Balance June 30, 2019	Amount due within one year
GOVERNMENTAL ACTIVITIES						
<i>includes Internal Service Funds</i>						
Compensated absences	\$ 5,319,625	4,659,740	(4,691,295)	-	5,288,070	3,305,044
General obligation bonds	5,890,000	-	(270,000)	-	5,620,000	280,000
Revenue bonds	10,365,000	-	(840,000)	-	9,525,000	855,000
Special assessment district bonds	525,000	-	(160,000)	-	365,000	175,000
Notes payable	1,843,169	-	(171,186)	-	1,671,983	122,628
Pollution remediation	-	-	-	7,359,858	7,359,858	-
Net pension liability	60,142,920	15,979,231	(3,992,121)	-	72,130,030	-
Net OPEB liability	20,407,882	2,334,931	-	-	22,742,813	-
Total governmental activities	<u>\$ 104,493,596</u>	<u>22,973,902</u>	<u>(10,124,602)</u>	<u>7,359,858</u>	<u>124,702,754</u>	<u>4,737,672</u>
BUSINESS-TYPE ACTIVITIES						
Compensated absences	\$ 110,044	63,255	(56,707)	-	116,592	72,870
Revenue bonds	319,000	-	(6,000)	-	313,000	6,000
Notes payable	3,056,724	23,580	(246,580)	-	2,833,724	251,243
Total business-type activities	<u>\$ 3,485,768</u>	<u>86,835</u>	<u>(309,287)</u>	<u>-</u>	<u>3,263,316</u>	<u>330,113</u>
Total County	<u>\$ 107,979,364</u>	<u>23,060,737</u>	<u>(10,433,889)</u>	<u>7,359,858</u>	<u>127,966,070</u>	<u>5,067,785</u>

Pollution remediation is discussed further in Note 8. Net pension liability is discussed further in Note 11. Net OPEB liability is discussed further in Note 12.

Bonds are liquidated from the debt service funds and other long-term liabilities are liquidated from the general fund and special revenue funds. No short-term debt was incurred during fiscal year 2019.

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The annual principal and interest requirements on long-term debt outstanding as of June 30, 2019 are as follows:

Governmental Activities:

General Obligation Bonds

The County has the following GO bonds to service in governmental activities:

<u>Description</u>	<u>Date</u>	<u>Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
General Obligation Bond, Series 2013	10/22/2013	9/1/2033	\$ 6,800,000	5,620,000	2.13%
			\$ 6,800,000	5,620,000	

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 qualified electors of the County approved issuance of the Bonds at a special meeting held on July 30, 2013. Payments toward the debt began in 9/1/2014.

This debt is secured with legally pledged revenues. There are no finance-related default consequences, termination event consequences, or subjective acceleration clauses specified in the debt agreement.

Pledged Revenues – General Obligation Bonds are payable from ad valorem taxes levied on all taxable property within the County without limit as to rate or amount. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$453,050.

Future payment requirements in the Series 2013 General Obligation Refunding Bonds are as follows.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 280,000	177,550	457,550
2021	290,000	171,850	461,850
2022	300,000	165,200	465,200
2023	315,000	157,513	472,513
2024	325,000	148,700	473,700
2025-2029	1,850,000	534,475	2,384,475
2030-2034	2,260,000	232,363	2,492,363
2035-2039	-	-	-
Total	\$ 5,620,000	1,587,651	7,207,651

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Revenue Bonds

The County has the following revenue bonds to service in governmental activities:

<u>Description</u>	<u>Date</u>	<u>Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
Gross Receipts Tax Refunding Bonds, Series 2012	5/1/2013	5/1/2028	\$ 4,870,000	3,085,000	2.0% to 4.0%
Subordinate Lien Gross Receipts Tax Refunding Bonds, Series 2014	12/1/2014	6/1/2029	8,870,000	6,440,000	2.0% to 5.0%
			<u>\$ 13,740,000</u>	<u>9,525,000</u>	

2012 Gross Receipts Tax Refunding and Improvement Bonds

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 2028. 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 County'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.

This debt is secured with legally pledged revenues. There are no finance-related default consequences, termination event consequences, or subjective acceleration clauses specified in the debt agreement.

Pledged Revenues – Bonds are payable solely from pledged revenues consisting of the first one-eighth of one percent increment of the County gross receipts tax transferred to the County pursuant to Section 7-1-6.13 NMSA 1978. County gross receipts taxes are imposed on all persons engaging in business in the County. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$410,775.

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 May 2013 through May 2028. 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 incidental to the foregoing and incidental to the issuance of the bonds. The purchaser of

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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 Dona Ana County. The Bank transferred the net proceeds that included an amount in the Series 2004A Reserve Fund to the Dona 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 County'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.

This debt is secured with legally pledged revenues. There are no finance-related default consequences, termination event consequences, or subjective acceleration clauses specified in the debt agreement.

Pledged Revenues – Bonds are payable solely from pledged revenues consisting of the first one-eighth of one percent increment of the County gross receipts tax transferred to the County pursuant to Section 7-1-6.13 NMSA 1978. County gross receipts taxes are imposed on all persons engaging in business in the County. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$757,250.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	935,000	228,725	1,163,725
2024	970,000	194,077	1,164,077
2025-2029	4,980,000	427,044	5,407,044
2030-2034	-	-	-
Total	<u>\$ 9,525,000</u>	<u>1,702,696</u>	<u>11,227,696</u>

Special Assessment District Bonds

The County has the following special assessment district bond to service in governmental activities:

<u>Description</u>	<u>Date</u>	<u>Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
Special Assessment - Santa Teresa District Bonds, Series 2001	1/1/2001	1/1/2021	\$ 7,775,000	365,000	8.375%
			<u>\$ 7,775,000</u>	<u>365,000</u>	

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

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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.

This debt is secured with legally pledged revenues. There are no finance-related default consequences, termination event consequences, or subjective acceleration clauses specified in the debt agreement.

Pledged Revenues – Bonds are payable solely from pledged revenues consisting of special assessment fees. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$203,969.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 175,000	30,569	205,569
2021	190,000	15,913	205,913
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025-2029	-	-	-
Total	<u>\$ 365,000</u>	<u>46,482</u>	<u>411,482</u>

Notes Payable

The County has the following notes payable to service in governmental activities:

<u>Description</u>	<u>Date</u>	<u>Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
NMED - Consolidated Liquid Waste Treatment and Disposal System	3/12/2001	6/17/2019	\$ 799,266	-	2.00%
NMFA 1947-DW - Cleanup of Griggs Walnut Superfund Site	5/1/2013	6/1/2032	1,478,798	1,051,359	2.00%
NMFA Arsenic Treatment Facility	7/22/2011	6/1/2031	1,024,160	620,624	0.25%
			<u>\$ 3,302,224</u>	<u>1,671,983</u>	

NMED – Consolidated Liquid Waste Treatment and Disposal System

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 of \$51,091 including interest calculated at a rate of 2% per annum, with the final payment due June 17, 2019.

This debt is secured with legally pledged revenues. There are no finance-related default consequences, termination event consequences, or subjective acceleration clauses specified in the debt agreement.

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Pledged Revenues – Net revenues from the operation of the septic disposal facilities and environmental services gross receipts tax revenues are pledged as security. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$51,091.

NMFA 1947-DW – Cleanup of Griggs Walnut Superfund Site

In January 2008, the County and the City of Las Cruces were approved under New Mexico Finance Authority Project No. 1947-DW for the clean-up of the Griggs Walnut superfund site. The County's debt principal totaled \$1,478,798. 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 May 2013. An extension was received in 2011 to allow for drawdown of the funds through June 2012. The terms of the note call for annual principal payments on May 1, for 20 years with semi-annual interest payments of 2% per annum.

The County began drawing funds on the note in October 2010 and expects to withdraw the full amount by the June 2012 closing date. This debt is secured with legally pledged revenues.

Pledged Revenues – The note principal, interest, and administrative fees will be paid for with pledged revenues consisting of the first one-eighth of one percent increment of the County environmental services gross receipts tax transferred to the County pursuant to Section 7-20E-17 NMSA 1978. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$92,645.

NMFA – Arsenic Treatment Facility

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. 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 9/12/14, for the formation of the arsenic treatment facility, but the debt will remain on the County's financials. This debt is secured with legally pledged revenues.

Pledged Revenues – The note principal, interest, and administrative fees will be paid for with pledged revenues from the net utility revenues of the Santa Teresa water and wastewater utility system. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$52,563.

The following details the default consequences, termination event consequences, or subjective acceleration clauses specified in all NMFA debt agreements.

Whenever any Event of Default has occurred and is continuing and subject to section Remedies on Default hereof, the Lender/Grantor may take any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any obligations of the Borrower/Grantee in this Agreement:

- a) File a mandamus proceeding or other action or proceeding or suit at law or in equity to compel the Borrower/Grantee to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein;
- b) Terminate this Agreement;
- c) Cease disbursing any further amounts from the Project Account;
- d) Demand that the Borrower/Grantee immediately repay the Loan/Grant Amount or any

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- portion thereof if such funds were not utilized in accordance with this Agreement;
- e) File a suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Lender/Granter;
 - f) Intervene in judicial proceedings that affect this Agreement or the Pledged Revenues; or
 - g) Cause the Borrower/Grantee to account as if it were the trustee of an express trust for all of the Pledged Revenues;
 - h) Take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under this Agreement or to enforce any other of its rights hereunder; or
 - i) Apply any amounts in the Project Account toward satisfaction of any and all fees and costs incurred in enforcing the terms of this Agreement.

The future payments required for the notes payable in Governmental Activities funds are as follows:

	Principal	Interest	Total
2020	\$ 122,628	22,579	145,207
2021	124,188	21,019	145,207
2022	125,777	19,430	145,207
2023	127,396	17,812	145,208
2024	129,044	16,163	145,207
2025-2029	671,044	54,992	726,036
2030-2034	371,906	11,151	383,057
2035-2039	-	-	-
Total	<u>\$ 1,671,983</u>	<u>163,146</u>	<u>1,835,129</u>

Business-type Activities:

Revenue Bonds

The County has the following revenue bond to service in business-type activities:

<u>Description</u>	<u>Date</u>	<u>Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
Dona Ana County, NM Waste Water System Improvement Revenue Bonds, Series 2013	9/19/2013	9/19/2053	\$ <u>343,000</u>	<u>313,000</u>	2.13%
			\$ <u>343,000</u>	<u>313,000</u>	

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.

This debt is secured with legally pledged revenues. There are no finance-related default consequences, termination event consequences, or subjective acceleration clauses specified in the debt agreement.

Pledged Revenues – The bonds are payable and collectible solely from the net revenues derived from the operation of the County’s Chaparral Wastewater System. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$12,770.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 6,000	6,650	12,650
2021	6,000	6,520	12,520
2022	6,000	6,390	12,390
2023	7,000	6,260	13,260
2024	7,000	6,120	13,120
2025-2029	35,000	28,350	63,350
2030-2034	40,000	24,400	64,400
2035-2039	44,000	20,030	64,030
2040-2044	49,000	15,150	64,150
2045-2049	54,000	9,730	63,730
2050-2054	59,000	3,690	62,690
	<u>\$ 313,000</u>	<u>133,290</u>	<u>446,290</u>

Notes Payable

The County has the following notes payable to service in business-type activities:

<u>Description</u>	<u>Date</u>	<u>Due</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Rates</u>
NMED - Sanitary Sewer System	6/30/2003	2/5/2029	\$ 4,740,014	2,603,905	2.00%
NMFA - Montana Vista Wastewater System Improvements	4/18/2014	6/1/2034	140,000	105,000	0.00%
NMFA - Chaparral Wastewater System Improvements	5/2/2014	6/1/2034	35,000	26,250	0.00%
NMFA Colonias Infrastructure 3348	3/1/2016	6/1/2034	89,050	74,989	0.00%
NMFA Colonias Infrastructure 4642	11/16/2018	6/1/2040	96,546	23,580	0.00%
			<u>\$ 5,100,610</u>	<u>2,833,724</u>	

NMED – Sanitary Sewer System

On June 30, 2003, the County entered into a loan agreement in the amount of \$4,740,014 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 first payment was due February 5, 2010 and the maturity date on the note is February 5, 2029. This debt is secured with legally pledged revenues.

Pledged Revenues – The note is payable and collectible solely from the net revenues derived from the operation of the County's Chaparral Wastewater System. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$289,894.

NMFA – Montana Vista Wastewater System Improvements

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. This debt is secured with legally pledged revenues.

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Pledged Revenues – The note is payable from the revenues derived from net utility revenues. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$7,000.

NMFA – Chaparral Wastewater System Improvements

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 \$315,000 along with a loan totaling \$35,000 with no interest rate. The maturity date on the note is June 1, 2034. This debt is secured with legally pledged revenues.

Pledged Revenues – The note is payable and collectible solely from the revenues derived from net utility revenues. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$1,750.

NMFA – Colonias Infrastructure Improvements 3348-CIF

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. This debt is secured with legally pledged revenues.

Pledged Revenues – The note is payable from the net revenues derived from net utility revenues. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$4,687.

NMFA – Colonias Infrastructure Improvements 4642-CIF

In November 2018, 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 \$868,917 along with a loan totaling \$89,050. The interest/administrative fee on the note is 0% with a maturity date of June 1, 2040. The County drew down \$23,580 of principal in 2019. This debt is secured with legally pledged revenues.

Pledged Revenues – The note is payable from revenues of the one-eighth of one percent (0.125%) increment of County Gross Receipts Tax imposed pursuant to Section 7-20E-9, NMSA 1978, as amended, and Ordinance No. 35-85 adopted February 6, 1985, effective July 1, 1985. derived from net utility revenues. Pledged revenues for the fiscal year ended June 30, 2019 totaled \$0, as no payments were due in 2019.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 251,243	52,078	303,321
2021	260,827	47,322	308,149
2022	265,678	42,471	308,149
2023	270,626	37,522	308,148
2024	275,673	32,475	308,148
2025-2029	1,437,797	83,063	1,520,860
2030-2034	67,185	-	67,185
2035-2039	4,695	-	4,695
2040-2044	-	-	-
	<u>\$ 2,833,724</u>	<u>294,931</u>	<u>3,128,655</u>

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NOTE 8 – POLLUTION REMEDIATION OBLIGATION

Certain property owned by the County has been declared a Superfund Site by the Environmental Protection Agency (EPA). The EPA has determined that the County is a responsible party along with the City of Las Cruces, which also owns part of the contaminated property. On April 20, 2005, the County and City of Las Cruces established a memorandum of understanding for a Joint Superfund Project (JSP) to work collaboratively with the EPA to complete the Remedial Investigation and Feasibility Study (RIFS) within the Superfund process. In December 2004, the JSP submitted a good-faith offer to the EPA for a Funding Agreement to achieve this objective. In April 2005, a negotiated funding agreement in the amount of \$800,000, payable to the EPA to complete the RIFS, was signed. In October 2005, the EPA and its contractor began the remaining fieldwork, which was completed in fiscal year 2007.

The County and City each received a \$3.5 million construction drawdown loan from the New Mexico Finance Authority (NMFA) to cover some of the costs of the pollution remediation project. County project costs of \$1,478,798 were funded using loan proceeds. The County is currently repaying the loan using Environmental Gross Receipt Tax funds.

The County and City also received \$243,000 for design and engineering in grant funds from the New Mexico Environment Department. As of June 30, 2019, all \$243,000 was applied to design and engineering costs. Construction on the project completed and remediation operations began August 2012.

The pollution remediation obligation is reported in long-term liabilities in the statement of net position (see Note 7). The pollution remediation obligation is an estimate and is subject to revision because of the price increases or reductions, changes in technology or changes in applicable laws or regulations. The County relies on the City's consultants to evaluate the site and potential liability.

On January 4, 2018, the County and City received a Unilateral Administrative Order from the EPA. The County and City are still in litigation regarding the liability. The County and the City currently share a 50/50 split on the potential liability. As of June 30, 2019, the County's outstanding pollution remediation obligation with this Order was estimated at \$7,359,858. The County received information on the pollution remediation obligation in the fiscal year 2019 and determined that it met the criteria to record the liability in its financial statements. As a result of the Unilateral Administrative Order date, January 4, 2018, the County has recorded the amount as a restatement. See Note 20.

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NOTE 9 – INTERFUND BALANCES AND TRANSFERS

The County recorded 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, 2019 was as follows:

	Transfers In									
	General	Fire Districts	State Appropriations	Debt Service	Non-Major Governmental	South Central Wastewater	Chaparral Wastewater System	Non-Major Enterprise Funds	Internal Service	Total
General	\$ 38,352,246	-	-	1,320,472	4,008,075	85,000	92,066	217,000	1,998,000	46,072,859
Fire Districts	54,470	1,600,000	-	-	23,204	-	-	-	-	1,677,674
State Appropriations	6,331,319	-	-	-	-	-	-	-	-	6,331,319
Debt Service	-	-	-	-	-	-	-	-	-	-
Non-Major Governmental	2,009,244	-	-	-	417,584	162,469	-	-	-	2,589,297
South Central WW	-	-	-	-	-	-	-	187,518	-	187,518
Chaparral Waste-Water System	-	-	-	-	-	-	-	15,407	-	15,407
Non-Major Enterprise	-	-	-	-	-	240,583	-	102,366	-	342,949
Internal Service	1,090,075	-	-	-	-	-	-	-	-	1,090,075
Total	\$ 47,837,354	1,600,000	-	1,320,472	4,448,863	488,052	92,066	522,291	1,998,000	58,307,098

Transfers totaling \$195,741 were made from the County’s agency funds to the General and Debt Service Fund. These transfers were reclassified as incoming revenue for the General and Debt Service Fund in the accompanying financial statements.

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The County recorded 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, 2019 are as follows:

<u>Due From Fund</u>	<u>Due To Fund</u>	<u>Amount</u>
General Fund	Sheriff's Grant State (23300)	\$ 76,785
General Fund	Civil Preparedness (25110)	193,054
General Fund	Airport FAA Projects (41020)	71,864
		<u>\$ 341,703</u>

NOTE 10 – 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 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. Additionally, the County has elected to pick-up a portion of the employee's contribution.

The following table details the actual contribution rates:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
County contributions	\$ 4,014,729	3,992,121	3,778,586
County contributions picked up on behalf of employee	2,610,393	2,478,305	2,495,085
Employee contributions	<u>2,646,037</u>	<u>2,676,466</u>	<u>2,470,403</u>
Total contributions	<u>\$ 9,271,159</u>	<u>9,146,892</u>	<u>8,744,074</u>

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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.

<u>Categories</u>	<u>County Statutory Required</u>	<u>County Pick-Up Percentage</u>	<u>County With Pick-Up</u>	<u>Employee</u>	<u>Total</u>
Regular Member	9.55%	9.86%	19.41%	4.79%	24.20%
Law Enforcement	18.90%	0.00%	18.90%	17.80%	36.70%
EMS/Fire Member	21.65%	0.00%	21.65%	17.70%	39.35%

NOTE 11 – PENSION PLAN AND POST EMPLOYMENT BENEFITS

General Information about the Pension Plan

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

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

TIER II. The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution

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increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05%. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions. See PERA’s publicly available financial report and comprehensive annual financial report obtained at <http://saonm.org/> using the Audit Report Search function for agency 366, for the employer and employee contribution rates in effect for fiscal year 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; At June 30, 2019, the County reported a liability of \$72,130,030 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The County’s proportion of the net pension liability was based on a projection of the County long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the County’s proportion was 2.4730%, which was an increase of 0.0690% from its proportion measured as of June 30, 2017.

For PERA Fund Division; Municipal General Division, at June 30, 2019, the County reported a liability of \$43,834,017 for its proportionate share of the net pension liability. At June 30, 2018, the County’s proportion was 2.7493%, which was a decrease of 0.1316% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized PERA Fund Division; Municipal General Division pension expense of \$4,905,765.

At June 30, 2019, the County reported PERA Fund Division; Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

Municipal General Division	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,266,892	1,150,848
Changes of assumptions	3,974,174	252,029
Net difference between projected and actual earnings on pension plan investments	3,250,952	-
Change in proportion and differences between the County contributions and proportionate share of contributions The County contributions subsequent to the measurement date	529,946	1,282,975
	<u>2,516,487</u>	<u>-</u>
Total	<u>\$ 11,538,451</u>	<u>2,685,852</u>

\$2,516,487 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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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:	Amount
2020	\$ 4,613,781
2021	1,538,771
2022	24,478
2023	159,082
2024	-
Thereafter	-

For PERA Fund Division; Municipal Police Division, at June 30, 2019, the County reported a liability of \$24,225,214 for its proportionate share of the net pension liability. At June 30, 2018, the County's proportion was 3.5505%, which was an increase of 0.4397% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized PERA Fund Division; Municipal Police Division pension expense of \$3,310,646.

At June 30, 2019, the County reported PERA Fund Division; Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

Municipal Police Division	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,185,954	2,401,347
Changes of assumptions	2,764,130	148,098
Net difference between projected and actual earnings on pension plan investments	1,667,039	-
Change in proportion and differences between the County contributions and proportionate share of contributions	2,063,986	95,485
The County contributions subsequent to the measurement date	<u>1,317,647</u>	<u>-</u>
Total	<u>\$ 8,998,756</u>	<u>2,644,930</u>

\$1,317,647 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	Amount
2020	\$ 2,719,879
2021	1,043,099
2022	1,179,902
2023	93,299
2024	-
Thereafter	-

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For PERA Fund Division; Municipal Fire Division, at June 30, 2019, the County reported a liability of \$4,070,779 for its proportionate share of the net pension liability. At June 30, 2018, the County's proportion was 0.6360%, which was an increase of 0.0637% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized PERA Fund Division; Municipal Fire Division pension expense of \$504,315.

At June 30, 2019, the County reported PERA Fund Division; Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

Municipal Fire Division	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 65,419	296,882
Changes of assumptions	235,102	14,865
Net difference between projected and actual earnings on pension plan investments	142,752	-
Change in proportion and differences between the County contributions and proportionate share of contributions	312,502	21,222
The County contributions subsequent to the measurement date	180,595	-
Total	\$ 936,370	332,969

\$180,595 as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	Amount
2020	\$ 209,198
2021	81,748
2022	123,752
2023	8,108
2024	-
Thereafter	-

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

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

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

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

<u>All Funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	43.50%	7.48%
Risk Reduction & Mitigation	21.50%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to include Real Estate Equity	20.00%	6.48%
Total	<u>100.00%</u>	

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

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the employer name’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

PERA Fund Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipal General Division	\$ 67,545,284	43,834,017	24,232,863
Municipal Police Division	\$ 37,248,437	24,225,214	13,608,201
Municipal Fire Division	\$ 5,434,207	4,070,799	2,953,884

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA financial reports, available at <http://www.nmpera.org/>.

Payable Changes in the Net Pension Liability. At June 30, 2019, the County did not report any outstanding contributions due to PERA.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description – The County’s defined benefit OPEB plan, County Health Care Plan (CHCP), provides OPEB for all employees who satisfy the retirement eligibility requirements of the Public Employees Retirement Association of New Mexico (PERA). CHCP is a single employer defined benefit OPEB plan administered by the County. The County established a policy of contributing towards retirees’ health care costs through adoption of Resolution 1999-36. Resolution 2002-89 increased the County contributions for retirees under the CHCP. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The County makes contributions toward the CHCP for retirees with a minimum of 10 years PERA service credit from employment with the County, based on a formula. Participants receive a contribution from the County for Medical/Rx/dental/vision and life insurance benefits at an increasing rate based on years of service, with a cap of \$350 per month. Retirees who qualify for PERA retirement with 20 years of service or more as a commissioned law enforcement officer or firefighter with a minimum of 10 years of PERA service with the County will receive a County contribution of 65% (cap still applies).

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Employees covered by benefit terms – At June 30, 2018 (the experience study date and latest information available), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	143
Active employees	807
	950

Total OPEB Liability

The County’s total OPEB liability of \$22,742,813 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that measurement date.

Actuarial assumptions and other inputs – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2019
Experience study date	August 24, 2017
Discount rate	3.87% per annum (BOY)
	3.50% per annum (EOY)
Salary increase rate	3.5% per annum
Medical consumer price index trend	CPI of 3.0% per annum
Inflation rate	2.5% per annum
Valuation date & census data	Valuation date of July 1, 2018 based on the census provided by the County as of July 2019.
Actuarial cost method	Entry Age Normal based on level percentage of projected salary.
Amortization method	Experience/Assumptions gains and losses are amortized over a closed period of 14.3 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Mortality rate	RP-2014 generational table (scaled back to base year 2006) scaled using MP-18, applied on a gender-specific basis.
Healthcare cost trend rates	6.5%/5.5% annual rate, net of investment expense
Retirees' share of benefit-related costs	County contributes maximum of \$350 per month

Changes in the Total OPEB Liability

	Total OPEB Liability
June 30, 2018	\$ 20,407,882
Changes for the year:	
Service cost	1,160,468
Interest	823,253
Changes in assumptions or other inputs	(1,061,826)
Benefit payments	(591,351)
Net changes	2,334,931
June 30, 2019	\$ 22,742,813

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Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if there were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 19,901,000	\$ 22,742,813	\$ 26,453,000

Sensitivity of the total OPEB liability to changes in the health care cost trend rates – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1 percentage-point higher than the current health care cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 25,968,000	\$ 22,742,813	\$ 20,184,000

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,920,295. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,864,220	267,074
Changes of assumptions/inputs	-	2,092,809
Net difference between projected and actual investments	-	-
Contributions subsequent to the measurement date	515,871	-
Total	\$ 2,380,091	2,359,883

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Amount
June 30:	
2020	\$ (63,426)
2021	(63,426)
2022	(63,426)
2023	(63,426)
2024	(63,426)
Thereafter	(178,533)

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NOTE 13 – DEFERRED COMPENSATION PLAN

Doña Ana County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, 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.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the National Association of Counties (NAC) (without being restricted to the provisions of benefits under the plan) or Nationwide Retirement Solutions, Inc., subject only to the claims of the NAC or Nationwide Retirement Solutions, Inc. general creditors.

Participant's rights under the plans are equal to those of general creditors of the NAC or Nationwide Retirement Solutions, Inc. in an amount equal to the fair market value of the deferred account for each participant. All amounts of deferred compensation have been remitted to the NAC or Nationwide Retirement Solutions, Inc., which administers the plans. Employee contributions totaled \$47,295 for NAC and \$559,936 for Nationwide for the year ended June 30, 2019.

NOTE 14 – OPERATING LEASES

The reporting entity has entered into a number of operating leases, which contain cancellation provisions and are subject to annual appropriations. The rent expenditures for these leases were primarily from the General Fund. Future minimum lease payments are:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2020	\$ 526,712
2021	405,321
2022	69,069
2023	11,646
2024	-
Total	<u>\$ 1,012,748</u>

Rental and lease payments charged to current operations for the year ended June 30, 2019 totaled \$831,769.

NOTE 15 – 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 non-compliant with its state issued permits for the liquid waste facility at Mesquite, 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 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.

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Commitments for construction projects in progress as of June 30, 2019 include:

<u>Project Name</u>	<u>Total Cost</u>	<u>Amount Expended as of June 30, 2019</u>	<u>Percent Complete</u>	<u>Estimated Date of Completion</u>
LEDA/Border Industrial Authority: CRRUA				
Well #4 Replacements	\$ 2,286,229	486,636	21%	June 2020
Hatch Spring Canyon Flood Control	775,600	200,487	26%	June 2022
Santa Teresa Hazmat Facility Phase II	1,100,000	1,083,583	99%	June 2019
Jetport Runway	1,666,033	353,985	21%	June 2020
Doña Ana School Rd	575,205	42,252	7%	Ongoing
Airport Road/Industrial Road	8,333,652	8,126,432	98%	June 2020
Baylor Canyon/Dripping Springs Road	1,376,434	769,987	56%	June 2020
Soledad Canyon Rd	1,301,000	589,276	45%	June 2022
Mustang Road	611,183	462,461	76%	June 2022
Road Initiative Projects - Multiple Roads	5,700,000	1,115,838	20%	Ongoing
Vado Lift Station #4 & Lift Station #5	606,129	38,466	6%	June 2022
Chaparral WW System Phase 1C- Golden				
Eagle Trail & Bald Eagle Court Ext	1,225,017	922,318	75%	November 2020
Total Commitments	<u>\$ 25,556,482</u>	<u>14,191,721</u>		

Contingencies

In 2019, the County has recorded contingent liabilities on the County's Government-Wide Statement of Financial Position for \$1,050,000. There are multiple legal options open to the County to appeal the ruling. If the County does not appeal, it is likely these amounts would be paid within a year, however, if an appeal takes place these amounts would unlikely be paid within a year, and therefore was classified as a long-term liability on the Government-Wide Statement of Net Position.

NOTE 16 – HOSPITAL LEASE

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 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 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.

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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, 2019 is \$638,884.

NOTE 17 – 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.

Limits of coverage through the risk pool are as follows:

<u>Coverage</u>	<u>Insurance</u>
\$1,000,000,000	Property
\$5,000,000	Earthquake and flood
\$2,000,000	Employee dishonesty and crime
\$2,000,000	Crime
\$3,000,000	Public officials E & O – Tort claim limit
\$5,000,000	Foreign jurisdiction liability
\$2,000,000	Pollution
\$40,000/\$100,000	Land use planning def.
\$100,000	Sheriff’s volunteers accident
\$5,000,000	Law enforcement liability – Tort claim limit
\$50,000,000	Boiler and machinery
\$1,000,000	Expanded land use civil rights
\$10,000	Injunctive relief
\$3,000,000	Cyber liability
\$5,000,000	Class A county - Excess liability

Contributions paid to the pool for the 2018/2019 fiscal year were \$3,792,488.

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 2018/2019 were \$4,634. In addition, the County maintains commercial liability policies for Accidental Death and Dismemberment of the County's Independent Fire Districts with coverage of \$255,000 (premium paid of \$65,412) and Pollution and Remediation Legal Liability with coverage of \$3,000,000 (premium paid of \$67,870 for a two-year policy).

NOTE 18 – DEFICIT FUND BALANCE

The following fund incurred a deficit fund balance at June 30, 2019:

<u>Fund</u>	<u>Amount</u>
Health Services Grant (25143)	\$ (5,817)

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

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NOTE 19 –LABOR UNIONS

The County has five labor unions:

1. American Federation of State, County and Municipal Employees, New Mexico Council 18, Blue Collar, (AFSCME BC) Local 2709; the collective bargaining agreement went into effect on August 28, 2017.
2. American Federation of State, County and Municipal Employees, New Mexico Council 18, Detention Center, (AFSCME DC) Local 1529; the collective bargaining agreement went into effect on July 8, 2016.
3. American Federation of State, County and Municipal Employees, New Mexico Council 18, Court Security, (AFSCME CS) Local 1879; the collective bargaining agreement went into effect on July 1, 2016.
4. International Associate of Fire Fighters (IAFF), Local 5037; the collective bargaining agreement went into effect on August 10, 2017.
5. The Communications Workers of America (CWA), Local 7911; the collective bargaining agreement went into effect on July 9, 2019.

Employees covered under all agreements include non-probationary employees as specified in the agreements. Copies of each collective bargaining agreement are available from the Doña Ana County Human Resources website: <http://donaanacounty.org/hr/policies>.

NOTE 20 –RESTATEMENT

Restatements were made as follows:

<u>Fund Description</u>	<u>Purpose/Reason</u>	<u>Amount</u>
Government-Wide Financial Statements		
Governmental Activities		
	To record liability for Griggs-Walnut plume remediation	\$ <u>(7,359,858)</u>

See Note 8 for additional detail.

NOTE 21 –RELATED PARTIES

An attorney in the County’s legal department serves as a contract attorney for the County’s insurance provider. From time to time, the attorney may be called on to perform legal work for the insurance provider on cases typically involving the County. During these instances, the attorney is not considered an employee of the County and does not receive compensation for time spent working on cases for the insurer. Any costs incurred using County staff and materials are reimbursed to the County.

The County is currently acting as Camino Real Regional Utility Authority’s (CRRUA) fiscal agent. They are contracted to provide multiple fiscal services, enterprise information systems management services, risk management services, and human resources management services. The contract term is for a period of 10 years from February 1, 2012 and can be renewed for an additional 5 years. CRRUA paid the County \$148,311 for fiscal year 2019.

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Due to the relationship the County has with CRRUA there are related parties between the two entities. The related parties are as follows:

- 2 County Commissioners also serve as members on the Board of Directors at CRRUA

NOTE 22 –TAX ABATEMENT DISCLOSURES

The County negotiates property tax abatement agreements and has multiple tax abatement agreements as of June 30, 2019. The County's entire disclosure as an abating agency is presented on the following pages.

Additionally, the County is subject to multiple tax abatement agreements entered into by other governmental entities with affects the County, as of June 30, 2019. The County's entire disclosure as the affected agency is presented on the following pages.

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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	
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.
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.	
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.
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 2018 the amount of tax abatement is \$91,884.32
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 \$19,099.01.
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 \$26,962.80.
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, 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

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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	
Agency type of Affected Agency	School District
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 2018 the amount of tax abatement is \$46,296.02.
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	\$26,962.80.
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	
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 2018 the amount of tax abatement is \$3,745.10.
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

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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	
Agency type of Affected Agency	Doña Ana Branch Community College
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 2018 the amount of tax abatement is \$3,442.19.
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 County Flood Commission
Agency number of Affected Agency	
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 2018 the amount of tax abatement is \$3,406.39.
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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.
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
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 2018 the amount of tax abatement is \$8,144.88.
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 receivable by your agency 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 NRG Solar: PILOT \$47,000 Admin Fee \$10,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current 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
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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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	
Agency type of Affected Agency	School District
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 2018 the amount of tax abatement is \$4,103.81.
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

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	
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.
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 2018 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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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	
Agency type of Affected Agency	State of New Mexico
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 2018 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
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	
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 2018 the amount of tax abatement is \$301.95.
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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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	
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.
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
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 2018 the amount of tax abatement is \$118,108.71.
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 receivable by your agency 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 \$29,304 Admin Fee \$5,000
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current 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.	No
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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	
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	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 2018 the amount of tax abatement is \$59,509.21.
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
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	
Agency type of Affected Agency	State of New Mexico
Recipient(s) of tax abatement	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 2018 the amount of tax abatement is \$4,813.97.
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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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	
Agency type of Affected Agency	Doña Ana Branch Community College
Recipient(s) of tax abatement	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 2018 the amount of tax abatement is \$4,424.61.
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 County Flood Commission
Agency number of Affected Agency	
Agency type of Affected Agency	Doña Ana County Flood Commission
Recipient(s) of tax abatement	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 2018 the amount of tax abatement is \$4,378.59.
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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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-Previous Owner ; Silicon Ranch New Owner
Parent company(ies) of recipient(s) of tax abatement	SunEdison-Previous Owner ; Silicon Ranch New Owner
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
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.	Property Tax: \$34,496.28
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
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	None

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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	Commercial Personal Property Tax Abatement for SUNE EPE2, LLC
Name of agency affected by abatement agreement (Affected Agency)	City of Las Cruces
Agency number of Affected Agency	
Agency type of Affected Agency	Municipal Government
Recipient(s) of tax abatement	SunEdison-Previous Owner ; Silicon Ranch New Owner
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: Municipal Operational and Flood Control
Authority under which abated tax would have been paid to Affected Agency	New Mexico's Community Development Incentive Act. Statute 3-64-1 through 3-64-5 NMSA 1978
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	Property Tax: \$34,496.28
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	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Agency number for Agency making the disclosure (Abating Agency)	6102
Abating Agency Name	City of Las Cruces
Abating Agency Type	Governmental
Tax Abatement Agreement Name	City of Las Cruces, New Mexico \$5,000,000 Tax Exempt Industrial Revenue Bonds (F&A Dairy Products, Inc, Plant Equipment Upgrade Project), 2016 and City of Las Cruces Tax Increment Development District Series 2014
Name of agency affected by abatement agreement (Affected Agency)	Dona Ana County
Agency number of Affected Agency	5007
Agency type of Affected Agency	Governmental
Recipient(s) of tax abatement	F&A Dairy Products, Inc. - (NOTE: F&A Dairy sold the company to Saputo Cheese USA, Inc on 11/30/2018. F&A Dairy also paid off the bond on 11/30/2018) and the City of Las Cruces Tax Increment Development District.
Tax abatement program (name and brief description)	City of Las Cruces, New Mexico \$5,000,000 Tax Exempt Industrial Revenue Bonds (F&A Dairy Products, Inc, Plant Equipment Upgrade Project), 2016 - Property tax is being abated. City of Las Cruces Tax Increment Development District Series 2014 - Property tax and GRT are being abated.
Specific Tax(es) Being Abated	Property tax and Gross receipts tax.
Authority under which abated tax would have been paid to Affected Agency	Section 7-36-3, NMSA 1978 and Section 3.2.212.22 NMAC and Sections 5-15-1 through 5-15-28, NMSA 1978
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	Property tax: \$55,156.51; Gross receipts tax: \$46,877.05
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	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

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.

Community Services (10008) – To provide funding for a variety of County community development projects. This fund has been established to comply with the accountability requirements of the grant agreements.

County Clerk Equipment/Records (10010) – To account for the operations of the county clerk pursuant to NMSA 1978 Section 14-8-12.2.

County Treasurer Fees (10025) – To account for fees collected by the Treasurer’s office for employee training and equipment. Created by County Commission Resolution 30-54.

Environmental GRT (10050) – To account for gross receipts taxes collected/dispensed by the NM Taxation and Revenue Department to be used for environmental related projects.

Federal Grants (21135) – To account for federal reimbursements related to the Community Development.

Housing Grant–NMFA (21241) – The Mortgage Finance Authority will facilitate the rehabilitation, reconstruction, or new construction of homes in any New Mexico designated Colonias neighborhood.

Affordable Housing Loan Fund (21250) – To enhance the quality of life of county residents. Identify the needs and barriers to housing development within the County.

DWI Grants (22251) – 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 Finance and Administration. This fund has been established in accordance with 28 CFR 66.20.

State Grants (23110) – To account for various state grant revenues and expenditures for various projects.

Colonia’s Initiative (23120) – 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 (23300) – To provide funding to allow the County to support New Mexico Intelligence Center initiatives at the S\VB New Mexico High Intensity Drug Trafficking Area. This fund has been established in accordance with grant agreements.

Civil Preparedness (25110) – 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 (25115) – 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.

Farm and Range (25120) – 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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

County Flood Commission (25135) – 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.

Health Services Fund (25140) – To account for the activities of the County's operating health care, which provides services to the residents of the County for local health services.

Health Services Grant Fund (25143) – To account for grants pertaining to Health Services are used within this fund.

Crisis Triage Center (25144) – To account for funds committed by County Commission Resolution 2011-81 for the support of a County crisis triage center.

Indigent Hospital Care (25145) – 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 (25150) – In accordance with NMSA 7-38-38.1 - To account for countywide reappraisal funding and expenditures.

Spaceport Gross Receipts Tax (25160) – 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.

Confiscated Assets (25210) – 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 (25230) – 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 (multiple funds) – 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.

DAC Santa Teresa Airport (50020) – To account for the operations of the Santa Teresa Airport.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR CAPITAL PROJECTS GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

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

Non-major capital projects funds consist of the following:

Airport FAA Projects (41020) – To account for the cost of developing airports in the County.

HH Capital Projects (45070) – To account for costs of the water system improvements.

County Administration Building Project (45080) – To account for costs of the County administration building improvements.

Road's Initiative (45093) – To account for the acceptance of non- County maintained roads in the County's maintained road network.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2019**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
ASSETS			
Cash and cash equivalents	\$ 1,551,403	5,823,377	7,374,780
Investments	20,920,636	-	20,920,636
Receivables			
Accounts receivables, net	2,443,361	-	2,443,361
Grants receivables	1,248,073	92,891	1,340,964
Interest receivable	42,728	-	42,728
Total receivables	<u>4,011,101</u>	<u>92,891</u>	<u>4,103,992</u>
Total assets	<u>\$ 26,483,140</u>	<u>5,916,268</u>	<u>32,399,408</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 494,672	24,489	519,161
Accrued payroll liabilities	81,131	-	81,131
Due to other funds	269,839	71,864	341,703
Unearned revenues	516,168	-	516,168
Other liabilities	3,500	-	3,500
Total Liabilities	<u>1,365,310</u>	<u>96,353</u>	<u>1,461,663</u>
Deferred inflows of resources			
Property taxes	<u>243,181</u>	-	<u>243,181</u>
Total deferred inflows of resources	<u>243,181</u>	-	<u>243,181</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	23,109,099	5,049,333	28,158,432
Committed	1,624,495	770,582	2,395,077
Assigned	146,872	-	146,872
Unassigned	<u>(5,817)</u>	-	<u>(5,817)</u>
Total fund balances	<u>24,874,649</u>	<u>5,819,915</u>	<u>30,694,564</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 26,483,140</u>	<u>5,916,268</u>	<u>32,399,408</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
REVENUES			
Taxes			
Gross receipts	\$ 15,370,294	-	15,370,294
Other taxes	1,265,452	-	1,265,452
Intergovernmental			
State operating grants	1,912,434	-	1,912,434
State capital grants	16,561	93,369	109,930
Federal operating grants	2,293,747	-	2,293,747
Federal capital grants	478,635	177,924	656,559
Charges for services	857,037	-	857,037
Investment earnings	402,235	936	403,171
Rents and royalties	291,634	-	291,634
Other revenue	532,783	23,617	556,400
Total revenues	<u>25,955,968</u>	<u>295,846</u>	<u>26,251,814</u>
EXPENDITURES			
Current			
General government	3,719,772	-	3,719,772
Public safety	1,431,857	-	1,431,857
Public works	2,045,505	27,040	2,072,545
Health and welfare	13,126,000	-	13,126,000
Community development	39,699	-	39,699
Capital Outlay			
Capital outlay	1,935,990	1,211,844	3,147,834
Total Expenditures	<u>22,298,823</u>	<u>1,238,884</u>	<u>23,537,707</u>
Excess (deficiency) of revenues over expenditures	3,657,145	(943,038)	2,714,107
OTHER FINANCING SOURCES (USES)			
Transfers in	63,204	4,385,659	4,448,863
Transfers out	(1,497,775)	(1,091,522)	(2,589,297)
Total other financing sources (uses)	<u>(1,434,571)</u>	<u>3,294,137</u>	<u>1,859,566</u>
Net change in fund balance	2,222,574	2,351,099	4,573,673
Fund balances-beginning of year	<u>22,652,075</u>	<u>3,468,816</u>	<u>26,120,891</u>
Fund balances-end of the year	<u>\$ 24,874,649</u>	<u>5,819,915</u>	<u>30,694,564</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2019**

	10008	10010	10025	10050
	Community	County	County	Environmental
	Services	Clerk	Treasurer	Environmental
	_____	Equip/Rcrd	Fees	GRT
ASSETS				
Cash and cash equivalents	\$ 28,400	-	-	-
Investments	-	328,703	12,221	42,789
Receivables				
Accounts receivables, net	3,743	-	-	158,514
Interest receivable	-	671	25	87
Total receivables	<u>3,743</u>	<u>671</u>	<u>25</u>	<u>158,601</u>
Total assets	<u>\$ 32,143</u>	<u>329,374</u>	<u>12,246</u>	<u>201,390</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	52,390	673	-
Unearned revenues	19,664	-	-	-
Total liabilities	<u>19,664</u>	<u>52,390</u>	<u>673</u>	<u>-</u>
Deferred inflows of resources				
Property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	12,479	276,984	-	201,390
Committed	-	-	11,573	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>12,479</u>	<u>276,984</u>	<u>11,573</u>	<u>201,390</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,143</u>	<u>329,374</u>	<u>12,246</u>	<u>201,390</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2019**

	21135	21241	21250	22251	23110
	Federal	Housing	Affordable	DWI	State
	Grants	Grant -	Housing	Grants	Grants
	21135	NMFA	Loan Fund	22251	23110
ASSETS					
Cash and cash equivalents	\$ 1	2,496	375,000	713,885	16,525
Receivables					
Grants receivables	-	-	-	25,276	-
Total receivables	-	-	-	25,276	-
Total assets	\$ 1	2,496	375,000	739,161	16,525
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	-	-	33,878	3,086
Accrued payroll liabilities	-	-	-	14,158	-
Unearned revenues	1	2,496	-	-	13,439
Total liabilities	1	2,496	-	48,036	16,525
Deferred inflows of resources					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	375,000	691,125	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	-	375,000	691,125	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 1	2,496	375,000	739,161	16,525

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2019**

	23120	23300	25110	25115	25120
	Colonia's	Sheriff's	Civil	Correction	Farm
	Initiative	Grants	Preparedness	Fees	and
		State			Range
ASSETS					
Cash and cash equivalents	\$ 8,517	-	-	-	-
Investments	-	-	-	763,982	17,418
Receivables					
Accounts receivables, net	-	-	-	93,013	11,454
Grants receivables	-	260,456	455,108	-	-
Interest receivable	-	-	-	1,560	36
Total receivables	-	260,456	455,108	94,573	11,490
Total assets	<u>\$ 8,517</u>	<u>260,456</u>	<u>455,108</u>	<u>858,555</u>	<u>28,908</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	825	6,932	-	-
Accrued payroll liabilities	-	6,505	-	-	-
Due to other funds	-	76,785	193,054	-	-
Unearned revenues	-	-	6,822	-	-
Total liabilities	-	84,115	206,808	-	-
Deferred inflows of resources					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	8,517	176,341	248,300	858,555	28,908
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>8,517</u>	<u>176,341</u>	<u>248,300</u>	<u>858,555</u>	<u>28,908</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,517</u>	<u>260,456</u>	<u>455,108</u>	<u>858,555</u>	<u>28,908</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2019**

	25135 County Flood Commission	25140 Health Services (SLIAG)	25143 Health Services Grant Fund	25144 Crisis Triage Center	25145 Indigent Hospital Care	25150 Reappraisal Administrative Fees
ASSETS						
Cash and cash equivalents	\$ -	-	400,914	-	-	-
Investments	9,612,718	5,186,482	-	1,609,634	2,112,570	886,064
Receivables						
Accounts receivables, net	-	730,870	-	-	1,025,861	-
Taxes receivable	276,939	-	-	-	-	-
Grants receivables	383,176	124,057	-	-	-	-
Interest receivable	19,634	10,592	-	3,288	4,315	1,810
Total receivables	<u>679,749</u>	<u>865,519</u>	<u>-</u>	<u>3,288</u>	<u>1,030,176</u>	<u>1,810</u>
Total assets	<u>\$ 10,292,467</u>	<u>6,052,001</u>	<u>400,914</u>	<u>1,612,922</u>	<u>3,142,746</u>	<u>887,874</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 132,104	54,302	2,884	-	199,098	3,003
Accrued payroll liabilities	13,999	32,181	-	-	-	11,692
Unearned revenues	606	69,293	403,847	-	-	-
Total liabilities	<u>146,709</u>	<u>155,776</u>	<u>406,731</u>	<u>-</u>	<u>199,098</u>	<u>14,695</u>
Deferred inflows of resources						
Property taxes	243,181	-	-	-	-	-
Total deferred inflows of resources	<u>243,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	9,902,577	5,749,353	-	-	2,943,648	873,179
Committed	-	-	-	1,612,922	-	-
Assigned	-	146,872	-	-	-	-
Unassigned	-	-	(5,817)	-	-	-
Total fund balances	<u>9,902,577</u>	<u>5,896,225</u>	<u>(5,817)</u>	<u>1,612,922</u>	<u>2,943,648</u>	<u>873,179</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,292,467</u>	<u>6,052,001</u>	<u>400,914</u>	<u>1,612,922</u>	<u>3,142,746</u>	<u>887,874</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2019**

	25160 Spaceport Gross Receipts	25210 Confiscated Assets	25230 Law Enforcement Protection	Emergency Medical Services	50020 DAC Santa Teresa Airport	Total
ASSETS						
Cash and cash equivalents	\$ -	266	1,500	3,899	-	1,551,403
Investments	-	-	-	4,581	343,474	20,920,636
Receivables						
Accounts receivables, net	394,019	-	-	-	25,887	2,443,361
Taxes receivable	-	-	-	-	-	276,939
Grants receivables	-	-	-	-	-	1,248,073
Interest receivable	-	-	-	8	702	42,728
Total receivables	<u>394,019</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>26,589</u>	<u>4,011,101</u>
Total assets	<u>\$ 394,019</u>	<u>266</u>	<u>1,500</u>	<u>8,488</u>	<u>370,063</u>	<u>26,483,140</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	-	-	5,471	26	494,672
Accrued payroll liabilities	-	-	-	-	2,596	81,131
Due to other funds	-	-	-	-	-	269,839
Unearned revenues	-	-	-	-	-	516,168
Other liabilities	-	-	-	-	3,500	3,500
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,471</u>	<u>6,122</u>	<u>1,365,310</u>
Deferred inflows of resources						
Property taxes	-	-	-	-	-	243,181
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,181</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	394,019	266	1,500	3,017	363,941	23,109,099
Committed	-	-	-	-	-	1,624,495
Assigned	-	-	-	-	-	146,872
Unassigned	-	-	-	-	-	(5,817)
Total fund balances	<u>394,019</u>	<u>266</u>	<u>1,500</u>	<u>3,017</u>	<u>363,941</u>	<u>24,874,649</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 394,019</u>	<u>266</u>	<u>1,500</u>	<u>8,488</u>	<u>370,063</u>	<u>26,483,140</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2019**

	41020 Airport FAA Projects	45070 HH Capital Improvements	45080 County Administration Building Project	45093 Road's Initiative	Total
ASSETS					
Cash and cash equivalents	\$ -	73,682	696,900	5,052,795	5,823,377
Receivables					
Grants receivables	92,891	-	-	-	92,891
Total receivables	92,891	-	-	-	92,891
Total assets	\$ 92,891	73,682	696,900	5,052,795	5,916,268
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	-	-	24,489	24,489
Due to other funds	71,864	-	-	-	71,864
Total liabilities	71,864	-	-	24,489	96,353
Deferred inflows of resources					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	21,027	-	-	5,028,306	5,049,333
Committed	-	73,682	696,900	-	770,582
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	21,027	73,682	696,900	5,028,306	5,819,915
Total liabilities, deferred inflows of resources, and fund balances	\$ 92,891	73,682	696,900	5,052,795	5,916,268

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	10008	10010	10025	10050
	Community	County	County	Environmental
	Services	Clerk	Treasurer	Environmental
	_____	Equip/Rcld	Fees	GRT
REVENUES				
Taxes				
Gross receipts	\$ -	-	-	888,698
Intergovernmental				
State operating grants	38,769	-	-	-
Charges for services	-	189,386	5,323	-
Investment earnings	-	6,930	273	3,422
Other revenue	80	-	830	-
Total revenues	<u>38,849</u>	<u>196,316</u>	<u>6,426</u>	<u>892,120</u>
EXPENDITURES				
Current				
General government	-	137,721	8,424	-
Economic development	38,849	-	-	-
Capital outlay				
Capital outlay	-	79,520	-	-
Total expenditures	<u>38,849</u>	<u>217,241</u>	<u>8,424</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(20,925)	(1,998)	892,120
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(901,755)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(901,755)</u>
Net change in fund balance	-	(20,925)	(1,998)	(9,635)
Fund balances-beginning of year	12,479	297,909	13,571	211,025
Fund balances-end of the year	<u>\$ 12,479</u>	<u>276,984</u>	<u>11,573</u>	<u>201,390</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	21135	21241	21250	22251	23110
	Federal	Housing	Affordable	DWI	State
	Grants	Grant -	Housing	Grants	Grants
	NMFA	Loan Fund	Grants	Grants	Grants
REVENUES					
Intergovernmental					
State operating grants	\$ -	-	-	1,066,010	-
State capital grants	-	-	-	-	16,561
Federal operating grants	851	-	-	-	-
Charges for services	-	-	-	265,709	-
Other revenue	-	-	-	1,625	-
Total revenues	<u>851</u>	<u>-</u>	<u>-</u>	<u>1,333,344</u>	<u>16,561</u>
EXPENDITURES					
Current					
Health and welfare	-	-	-	1,203,973	3,086
Economic development	850	-	-	-	-
Capital outlay					
Capital outlay	-	-	-	6,445	13,475
Total expenditures	<u>850</u>	<u>-</u>	<u>-</u>	<u>1,210,418</u>	<u>16,561</u>
Excess (deficiency) of revenues over expenditures	1	-	-	122,926	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(173,082)	-	-	-	-
Total other financing sources (uses)	<u>(173,082)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(173,081)	-	-	122,926	-
Fund balances-beginning of year	173,081	-	375,000	568,199	-
Fund balances-end of the year	<u>\$ -</u>	<u>-</u>	<u>375,000</u>	<u>691,125</u>	<u>-</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	23120	23300	25110	25115	25120
	Colonia's	Sheriff's	Civil	Correction	Farm
	Initiative	Grants	Preparedness	Fees	and
		State			Range
REVENUES					
Intergovernmental					
State operating grants	\$ -	7,240	65,674	-	-
Federal operating grants	-	813,222	474,743	-	-
Federal capital grants	-	478,635	-	-	-
Charges for services	-	-	-	330,379	11,454
Investment earnings	-	-	721	14,268	215
Other revenue	-	99,001	2	-	-
Total revenues	<u>-</u>	<u>1,398,098</u>	<u>541,140</u>	<u>344,647</u>	<u>11,669</u>
EXPENDITURES					
Current					
Public safety	-	817,151	112,036	186,466	36,109
Capital outlay					
Capital outlay	-	577,821	168,423	16,859	-
Total expenditures	<u>-</u>	<u>1,394,972</u>	<u>280,459</u>	<u>203,325</u>	<u>36,109</u>
Excess (deficiency) of revenues over expenditures	-	3,126	260,681	141,322	(24,440)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	40,000
Transfers out	-	(273,763)	(135,750)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(273,763)</u>	<u>(135,750)</u>	<u>-</u>	<u>40,000</u>
Net change in fund balance	-	(270,637)	124,931	141,322	15,560
Fund balances-beginning of year	8,517	446,978	123,369	717,233	13,348
Fund balances-end of the year	<u>\$ 8,517</u>	<u>176,341</u>	<u>248,300</u>	<u>858,555</u>	<u>28,908</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	25135 County Flood Commission	25140 Health Services (SLIAG)	25143 Health Services Grant Fund	25144 Crisis Triage Center	25145 Indigent Hospital Care	25150 Reappraisal Administrative Fees
REVENUES						
Taxes						
Property taxes	\$ 2,535,156	-	-	-	-	-
Gross receipts	-	6,358,525	-	-	5,856,091	-
Other taxes	-	-	-	-	-	1,265,452
Intergovernmental						
State operating grants	550,802	35,735	-	-	-	-
Federal operating grants	41,444	954,611	8,876	-	-	-
Investment earnings	184,478	88,889	-	30,885	47,245	15,838
Other revenue	245,671	4,277	-	-	63,305	7,392
Total revenues	<u>3,557,551</u>	<u>7,442,037</u>	<u>8,876</u>	<u>30,885</u>	<u>5,966,641</u>	<u>1,288,682</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	1,283,457
Public works	1,817,707	-	-	-	-	-
Health and welfare	-	5,784,350	11,539	13,872	6,109,180	-
Capital outlay						
Capital outlay	1,073,447	-	-	-	-	-
Total expenditures	<u>2,891,154</u>	<u>5,784,350</u>	<u>11,539</u>	<u>13,872</u>	<u>6,109,180</u>	<u>1,283,457</u>
Excess (deficiency) of revenues over expenditures	666,397	1,657,687	(2,663)	17,013	(142,539)	5,225
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	666,397	1,657,687	(2,663)	17,013	(142,539)	5,225
Fund balances-beginning of year	9,236,180	4,238,538	(3,154)	1,595,909	3,086,187	867,954
Fund balances-end of the year	<u>\$ 9,902,577</u>	<u>5,896,225</u>	<u>(5,817)</u>	<u>1,612,922</u>	<u>2,943,648</u>	<u>873,179</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	25160 Spaceport Gross Receipts	25210 Confiscated Assets	25230 Law Enforcement Protection	Emergency Medical Services	50020 DAC Santa Teresa Airport	Total
REVENUES						
Taxes						
Property taxes	\$ -	-	-	-	-	2,535,156
Gross receipts	2,266,980	-	-	-	-	15,370,294
Other taxes	-	-	-	-	-	1,265,452
Intergovernmental						
State operating grants	-	-	-	148,204	-	1,912,434
State capital grants	-	-	-	-	-	16,561
Federal operating grants	-	-	-	-	-	2,293,747
Federal capital grants	-	-	-	-	-	478,635
Charges for services	-	-	-	-	54,786	857,037
Investment earnings	-	-	1,494	1,706	5,871	402,235
Rents and royalties	-	-	-	-	291,634	291,634
Other revenue	-	-	105,000	-	5,600	532,783
Total revenues	<u>2,266,980</u>	<u>-</u>	<u>106,494</u>	<u>149,910</u>	<u>357,891</u>	<u>25,955,968</u>
EXPENDITURES						
Current						
General government	2,290,170	-	-	-	-	3,719,772
Public safety	-	180	112,917	166,998	-	1,431,857
Public works	-	-	-	-	227,798	2,045,505
Health and welfare	-	-	-	-	-	13,126,000
Economic development	-	-	-	-	-	39,699
Capital outlay						
Capital outlay	-	-	-	-	-	1,935,990
Total expenditures	<u>2,290,170</u>	<u>180</u>	<u>112,917</u>	<u>166,998</u>	<u>227,798</u>	<u>22,298,823</u>
Excess (deficiency) of revenues over expenditures	(23,190)	(180)	(6,423)	(17,088)	130,093	3,657,145
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	23,204	63,204
Transfers out	-	-	-	-	(13,425)	(1,497,775)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,779</u>	<u>(1,434,571)</u>
Net change in fund balance	(23,190)	(180)	(6,423)	(17,088)	139,872	2,222,574
Fund balances-beginning of year	417,209	446	7,923	20,105	224,069	22,652,075
Fund balances-end of the year	<u>\$ 394,019</u>	<u>266</u>	<u>1,500</u>	<u>3,017</u>	<u>363,941</u>	<u>24,874,649</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	41020 Airport FAA Projects	45070 HH Capital Improvements	45080 County Administration Building Project	45093 Road's Initiative	Total
REVENUES					
Intergovernmental					
State capital grants	\$ 93,369	-	-	-	93,369
Federal capital grants	177,924	-	-	-	177,924
Investment earnings	936	-	-	-	936
Other revenue	-	23,617	-	-	23,617
Total revenues	<u>272,229</u>	<u>23,617</u>	<u>-</u>	<u>-</u>	<u>295,846</u>
EXPENDITURES					
Current					
Public works	6,031	-	-	21,009	27,040
Capital outlay					
Capital outlay	285,514	156,466	3,100	766,764	1,211,844
Total expenditures	<u>291,545</u>	<u>156,466</u>	<u>3,100</u>	<u>787,773</u>	<u>1,238,884</u>
Excess (deficiency) of revenues over expenditures	(19,316)	(132,849)	(3,100)	(787,773)	(943,038)
OTHER FINANCING SOURCES (USES)					
Transfers in	13,425	-	700,000	3,672,234	4,385,659
Transfers out	(524,894)	(566,628)	-	-	(1,091,522)
Total other financing sources (uses)	<u>(511,469)</u>	<u>(566,628)</u>	<u>700,000</u>	<u>3,672,234</u>	<u>3,294,137</u>
Net change in fund balance	(530,785)	(699,477)	696,900	2,884,461	2,351,099
Fund balances-beginning of year	551,812	773,159	-	2,143,845	3,468,816
Fund balances-end of the year	<u>\$ 21,027</u>	<u>73,682</u>	<u>696,900</u>	<u>5,028,306</u>	<u>5,819,915</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Salem/Ogas Wastewater (50043) – To account for the service activities of the wastewater system.

La Union Wastewater (50046) – To account for the service activities of the wastewater system.

Doña Ana Wastewater System (50064) – To account for the service activities of the wastewater system.

Las Palmeras/Montana Vista Wastewater (50065) – To account for the service activities of the wastewater system.

Rincon Wastewater (50067) – To account for the service activities of the water system.

NMED County Utilities (multiple funds) – To account for the service activities of the various County utility systems.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	50043	50046	50064	50065
	Salem/Ogas Wastewater System	La Union Wastewater System	Dona Ana Wastewater System	Las Palmeras/ Montana Vista Wastewater
ASSETS				
Current assets:				
Investments	\$ 25,439	105,106	-	-
Receivables				
Accounts receivables, net	11,591	13,532	-	-
Interest receivable	52	215	-	-
Total receivables	<u>11,643</u>	<u>13,747</u>	<u>-</u>	<u>-</u>
Total current assets	37,082	118,853	-	-
Non-current assets:				
Capital assets, net	<u>2,245,179</u>	<u>3,507,534</u>	<u>2,245,176</u>	<u>396,441</u>
Total non-current assets	<u>2,245,179</u>	<u>3,507,534</u>	<u>2,245,176</u>	<u>396,441</u>
Total assets	<u>\$ 2,282,261</u>	<u>3,626,387</u>	<u>2,245,176</u>	<u>396,441</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 19	-	-	-
Accrued interest payable	1,892	3,823	-	-
Accrued payroll liabilities	529	364	-	-
Compensated absences	5,743	4,385	-	-
Bonds and notes payable	34,108	35,492	-	-
Other liabilities	<u>4,645</u>	<u>4,914</u>	<u>-</u>	<u>1,600</u>
Total current liabilities	46,936	48,978	-	1,600
Non-current liabilities:				
Bonds and notes payable	339,360	353,139	-	-
Compensated absences	<u>3,446</u>	<u>2,630</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>342,806</u>	<u>355,769</u>	<u>-</u>	<u>-</u>
Total liabilities	389,742	404,747	-	1,600
NET POSITION				
Net investment in capital assets	1,871,711	3,118,903	2,245,176	396,441
Unrestricted	<u>20,808</u>	<u>102,737</u>	<u>-</u>	<u>(1,600)</u>
Total net position	<u>1,892,519</u>	<u>3,221,640</u>	<u>2,245,176</u>	<u>394,841</u>
Total liabilities and net position	<u>\$ 2,282,261</u>	<u>3,626,387</u>	<u>2,245,176</u>	<u>396,441</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	50067 Rincon Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	345	345
Investments	18,153	174,115	322,813
Receivables			
Accounts receivables, net	5,255	-	30,378
Interest receivable	37	356	660
Total receivables	<u>5,292</u>	<u>356</u>	<u>31,038</u>
Total current assets	23,445	174,816	354,196
Non-current assets:			
Capital assets, net	<u>1,091,792</u>	<u>951,162</u>	<u>10,437,284</u>
Total non-current assets	<u>1,091,792</u>	<u>951,162</u>	<u>10,437,284</u>
Total assets	<u>\$ 1,115,237</u>	<u>1,125,978</u>	<u>10,791,480</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	-	19
Accrued interest payable	-	-	5,715
Accrued payroll liabilities	918	-	1,811
Compensated absences	11,073	-	21,201
Bonds and notes payable	-	-	69,600
Other liabilities	<u>1,312</u>	<u>-</u>	<u>12,471</u>
Total current liabilities	13,303	-	110,817
Non-current liabilities:			
Bonds and notes payable	-	-	692,499
Compensated absences	<u>6,644</u>	<u>-</u>	<u>12,720</u>
Total non-current liabilities	<u>6,644</u>	<u>-</u>	<u>705,219</u>
Total liabilities	19,947	-	816,036
NET POSITION			
Net investment in capital assets	1,091,792	951,162	9,675,185
Unrestricted	<u>3,498</u>	<u>174,816</u>	<u>300,259</u>
Total net position	<u>1,095,290</u>	<u>1,125,978</u>	<u>9,975,444</u>
Total liabilities and net position	<u>\$ 1,115,237</u>	<u>1,125,978</u>	<u>10,791,480</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2019**

	50043	50046	50064	50065
	Salem/Ogas Wastewater System	La Union Wastewater System	Dona Ana Wastewater System	Las Palmeras/ Montana Vista Wastewater
OPERATING REVENUES				
Charges for services	\$ 10,528	6,761	-	-
Charges for sewerage service	102,948	113,444	-	-
Other revenue	3,813	4,199	-	-
Total operating revenues	<u>117,289</u>	<u>124,404</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES				
Personnel services - salaries and wages	22,459	16,220	-	-
Personnel services - employee benefits	12,818	13,395	-	-
Professional and technical services	4,201	24,938	-	-
Utilities	17,759	1,104	-	-
Depreciation	78,624	179,671	73,275	13,332
Total operating expenses	<u>135,861</u>	<u>235,328</u>	<u>73,275</u>	<u>13,332</u>
Operating income (loss)	(18,572)	(110,924)	(73,275)	(13,332)
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	575	1,271	-	-
Interest expense	616	-	-	-
Total non-operating revenues (expenses)	<u>1,191</u>	<u>1,271</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	(17,381)	(109,653)	(73,275)	(13,332)
Transfers in	-	124,000	-	-
Transfers out	(33,892)	(68,474)	-	-
Total transfers in (out)	<u>(33,892)</u>	<u>55,526</u>	<u>-</u>	<u>-</u>
Change in net position	(51,273)	(54,127)	(73,275)	(13,332)
Beginning net position	1,943,792	3,275,767	2,318,451	408,173
Net position-end of the year	<u>\$ 1,892,519</u>	<u>3,221,640</u>	<u>2,245,176</u>	<u>394,841</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2019**

	50067 Rincon Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 80	-	17,369
Charges for sewerage service	41,759	-	258,151
Other revenue	<u>2,213</u>	-	<u>10,225</u>
Total operating revenues	<u>44,052</u>	-	<u>285,745</u>
OPERATING EXPENSES			
Personnel services - salaries and wages	37,586	-	76,265
Personnel services - employee benefits	19,089	-	45,302
Professional and technical services	-	-	29,139
Utilities	8,902	-	27,765
Other operating expenses	59,590	245,501	305,091
Depreciation	<u>32,055</u>	<u>153,879</u>	<u>530,836</u>
Total operating expenses	<u>157,222</u>	<u>399,380</u>	<u>1,014,398</u>
Operating income (loss)	(113,170)	(399,380)	(728,653)
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	229	4,112	6,187
Interest expense	-	<u>(44,383)</u>	<u>(43,767)</u>
Total non-operating revenues (expenses)	<u>229</u>	<u>(40,271)</u>	<u>(37,580)</u>
Income (loss) before transfers	(112,941)	(439,651)	(766,233)
Transfers in	93,000	305,291	522,291
Transfers out	-	<u>(240,583)</u>	<u>(342,949)</u>
Total transfers in (out)	<u>93,000</u>	<u>64,708</u>	<u>179,342</u>
Change in net position	(19,941)	(374,943)	(586,891)
Beginning net position	<u>1,115,231</u>	<u>1,500,921</u>	<u>10,562,335</u>
Net position-end of the year	<u>\$ 1,095,290</u>	<u>1,125,978</u>	<u>9,975,444</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	50043	50046	50064	50065
	Salem/Ogas Wastewater System	La Union Wastewater System	Dona Ana Wastewater System	Las Palmeras/ Montana Vista Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 105,410	116,980	-	-
Payments to employees	(35,259)	(29,016)	-	-
Payments to suppliers	(17,013)	(22,020)	-	-
Other receipts/(payments)	3,813	4,199	-	-
<i>Net cash provided (used) by operating activities</i>	<u>56,951</u>	<u>70,143</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	124,000	-	-
Transfers to other funds	(33,892)	(68,474)	-	-
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>(33,892)</u>	<u>55,526</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payments	(27,258)	(55,071)	-	-
Interest payments	616	-	-	-
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>(26,642)</u>	<u>(55,071)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	867	-	-	-
Purchase of investments	-	(74,370)	-	-
Interest and dividends	575	1,271	-	-
<i>Net cash provided by (used for) investing activities</i>	<u>1,442</u>	<u>(73,099)</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(2,141)	(2,501)	-	-
Balances - beginning of year	2,141	2,501	-	-
Balances - end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	50067 Rincon Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 38,784	(99)	261,075
Payments to employees	(57,057)	-	(121,332)
Payments to suppliers	(65,460)	(245,501)	(349,994)
Other receipts/(payments)	2,213	-	10,225
<i>Net cash provided (used) by operating activities</i>	<u>(81,520)</u>	<u>(245,600)</u>	<u>(200,026)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	93,000	305,291	522,291
Transfers to other funds	-	(240,583)	(342,949)
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>93,000</u>	<u>64,708</u>	<u>179,342</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments	-	-	(82,329)
Interest payments	-	(44,383)	(43,767)
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>-</u>	<u>(44,383)</u>	<u>(126,096)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and maturities of investments	-	191,415	192,282
Purchase of investments	(12,194)	-	(86,564)
Interest and dividends	229	4,112	6,187
<i>Net cash provided by (used for) investing activities</i>	<u>(11,965)</u>	<u>195,527</u>	<u>111,905</u>
Net increase/(decrease) in cash and cash equivalents	(485)	(29,748)	(34,875)
Balances - beginning of year	485	30,093	35,220
Balances - end of year	<u>\$ -</u>	<u>345</u>	<u>345</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	50043	50046	50064	50065
	Salem/Ogas Wastewater System	La Union Wastewater System	Dona Ana Wastewater System	Las Palmeras/ Montana Vista Wastewater
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ (18,572)	(110,924)	(73,275)	(13,332)
Adjustments:				
Depreciation expense	78,624	179,671	73,275	13,332
Bad debt expense	6,947	2,413	-	-
Change in assets and liabilities:				
Receivables	(8,066)	(3,225)	-	-
Accounts payable	(1,439)	(103)	-	-
Accrued expenses and other liabilities	(561)	1,712	-	-
Compensated absences	18	599	-	-
Net cash provided by (used for) operating activities	\$ <u>56,951</u>	<u>70,143</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	50067 Rincon Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	\$ (113,170)	(399,380)	(728,653)
Adjustments:			
Depreciation expense	32,055	153,879	530,836
Bad debt expense	2,692	-	12,052
Change in assets and liabilities:			
Receivables	(3,055)	(99)	(14,445)
Accounts payable	(41)	-	(1,583)
Accrued expenses and other liabilities	381	-	1,532
Compensated absences	(382)	-	235
Net cash provided by (used for) operating activities	\$ <u>(81,520)</u>	<u>(245,600)</u>	<u>(200,026)</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
COST TO STATE/TREASURER				
10020				
Assets				
Cash and cash equivalents	\$ 1,210	49,210	(39,613)	10,807
Liabilities				
Due to others	\$ 1,210	49,210	(39,613)	10,807
INMATE TRUST FUND				
25112				
Assets				
Cash and cash equivalents	\$ 40,881	1,838,565	(1,822,712)	56,734
Liabilities				
Due to others	\$ 40,881	1,838,565	(1,822,712)	56,734
CHILDREN'S TRUST FUND				
70010				
Assets				
Cash and cash equivalents	\$ 1,815	21,945	(22,035)	1,725
Liabilities				
Due to others	\$ 1,815	21,945	(22,035)	1,725
PROPERTY TAX FUND				
70040				
Assets				
Cash and cash equivalents	\$ 1,222,289	138,373,864	(138,250,078)	1,346,075
Taxes receivable, net	6,469,959	6,972,215	(6,469,959)	6,972,215
Total assets	<u>7,692,248</u>	<u>145,346,079</u>	<u>(144,720,037)</u>	<u>8,318,290</u>
Liabilities				
Accounts payable	651	312,198	(312,849)	-
Taxes paid in advance	397,177	501,101	(521,768)	376,510
Taxes in suspense	1,053,488	3,635,587	(3,593,553)	1,095,522
Due to others	478,106	134,817,615	(134,529,041)	766,680
Unearned revenue	5,762,826	6,079,578	(5,762,826)	6,079,578
Total liabilities	<u>\$ 7,692,248</u>	<u>145,346,079</u>	<u>(144,720,037)</u>	<u>8,318,290</u>
AIRPORT ROAD -SPECIAL ASSESSMENT -2001A				
70050				
Assets				
Cash and cash equivalents	\$ 13,632	745,383	(698,148)	60,867
Receivable	18,109	494,179	(511,651)	637
Total assets	<u>31,741</u>	<u>1,239,562</u>	<u>(1,209,799)</u>	<u>61,504</u>
Liabilities				
Due to others	\$ 31,741	1,239,562	(1,209,799)	61,504
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 1,279,827	141,028,967	(140,832,586)	1,476,208
Taxes receivable	6,469,959	6,972,215	(6,469,959)	6,972,215
Other receivables	18,109	494,179	(511,651)	637
Total assets	<u>7,767,895</u>	<u>148,495,361</u>	<u>(147,814,196)</u>	<u>8,449,060</u>
Liabilities				
Accounts payable	651	312,198	(312,849)	-
Taxes paid in advance	397,177	501,101	(521,768)	376,510
Taxes in suspense	1,053,488	3,635,587	(3,593,553)	1,095,522
Due to others	553,753	137,966,897	(137,623,200)	897,450
Unearned revenue	5,762,826	6,079,578	(5,762,826)	6,079,578
Total liabilities	<u>\$ 7,767,895</u>	<u>148,495,361</u>	<u>(147,814,196)</u>	<u>8,449,060</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DOÑA ANA COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	Measurement Date as of				
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
The County's proportion of the net pension liability (asset) (%)					
Municipal General	2.7493%	2.8809%	2.8537%	2.7176%	2.8351%
Municipal Police	3.5505%	3.1108%	3.1363%	2.9655%	3.0821%
Municipal Fire	0.6360%	0.5723%	0.5615%	0.5785%	0.5600%
	<u>2.4730%</u>	<u>2.4040%</u>	<u>2.4139%</u>	<u>2.2292%</u>	<u>2.2646%</u>
The County's proportionate share of the net pension liability (asset) (\$)					
Municipal General	\$ 43,834,017	39,586,003	45,592,523	27,708,287	22,116,823
Municipal Police	24,225,214	17,282,534	23,140,555	14,259,786	10,046,985
Municipal Fire	4,070,799	3,274,383	3,745,776	2,985,647	2,337,436
	<u>\$ 72,130,030</u>	<u>60,142,920</u>	<u>72,478,854</u>	<u>44,953,720</u>	<u>34,501,244</u>
The County's covered payroll					
Municipal General	\$ 25,118,105	25,305,749	25,450,766	22,480,869	23,014,404
Municipal Police	7,501,275	6,411,370	6,463,042	5,807,915	5,935,459
Municipal Fire	811,090	693,478	679,972	656,416	623,793
	<u>\$ 33,430,470</u>	<u>32,410,597</u>	<u>32,593,781</u>	<u>28,945,200</u>	<u>29,573,657</u>
The County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll					
Municipal General	175%	156%	179%	123%	96%
Municipal Police	323%	270%	358%	246%	169%
Municipal Fire	502%	472%	551%	455%	375%
Plan fiduciary net position as a percentage of the total pension liability					
Municipal General	71.13%	73.74%	69.18%	76.99%	81.29%
Municipal Police	71.13%	73.74%	69.18%	76.99%	81.29%
Municipal Fire	71.13%	73.74%	69.18%	76.99%	81.29%

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DOÑA ANA COUNTY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contribution					
Municipal General	\$ 2,516,487	2,398,779	2,416,699	2,430,548	2,146,923
Municipal Police	1,317,647	1,417,741	1,211,749	1,221,515	1,097,696
Municipal Fire	180,595	175,601	150,138	147,214	142,114
	<u>\$ 4,014,729</u>	<u>3,992,121</u>	<u>3,778,586</u>	<u>3,799,277</u>	<u>3,386,733</u>
Contributions in relation to the statutorily required contribution					
Municipal General	\$ 2,516,487	2,398,779	2,416,699	2,430,548	2,146,923
Municipal Police	1,317,647	1,417,741	1,211,749	1,221,515	1,097,696
Municipal Fire	180,595	175,601	150,138	147,214	142,114
	<u>\$ 4,014,729</u>	<u>3,992,121</u>	<u>3,778,586</u>	<u>3,799,277</u>	<u>3,386,733</u>
Contribution deficiency (excess)					
Municipal General	\$ -	-	-	-	-
Municipal Police	-	-	-	-	-
Municipal Fire	-	-	-	-	-
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2015, the year the statement's requirements became effective

**NOTES TO SCHEDULE
For The Year Ended June 30, 2019**

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

Changes of Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 2018 report is available at <http://www.nmpera.org/>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN DOÑA ANA COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 1,160,468	1,201,614	1,156,845
Interest	823,253	824,254	765,062
Change of benefit terms	-	-	-
Differences between expected and actual experience	2,004,387	-	(342,511)
Changes of assumptions or other inputs	(1,061,826)	(844,527)	(506,265)
Benefit payments	<u>(591,351)</u>	<u>(1,740,816)</u>	<u>(638,884)</u>
Net change in total OPEB liability	2,334,931	(559,475)	434,247
Total OPEB liability - beginning	<u>20,407,882</u>	<u>20,967,357</u>	<u>20,533,110</u>
Total OPEB liability - ending	<u>\$ 22,742,813</u>	<u>20,407,882</u>	<u>20,967,357</u>
Covered-employee payroll	\$ 36,034,455	34,103,000	32,949,471
Total OPEB liability as a percentage of covered-employee payroll	63%	60%	64%

*Governmental Accounting Standards Board Statement 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the County is not available prior to fiscal year 2017, the year information became available.

NOTES TO SCHEDULE

Changes of Benefit Terms: Since the prior valuation there have been no changes of benefit terms.

Changes of Assumptions:

Since the prior valuation the following changes of assumptions have been made:

- a. The retirement rates and termination rates were updated based on the PERA of New Mexico Actuarial Valuation as of June 30, 2018
- b. The mortality improvement scale was updated from MP-2016 to MP-2018.
- c. The following are the discount rates used in each period:

2019	3.50%
2018	3.87%
2017	3.58%

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF SPECIAL, DEFICIENCY, SPECIFIC, AND CAPITAL OUTLAY APPROPRIATIONS
AS OF JUNE 30, 2019**

Project #	Agency	Project Name	Agreement Date	Reversion Date	Original Appropriation Award (\$)	Expenditures as of June 30, 2019	Current Year Expenditures	Remaining Balance as of June 30, 2019
16-A2412	Department of Finance and Administration	Del Cerro Park Improvements	9/26/2016	6/30/2020	100,000	\$ 99,719	-	281
16-A2413	Department of Finance and Administration	Southern NM Fairgrounds Improvements	9/26/2016	6/30/2020	235,000	235,000	-	-
16-A2416	Department of Finance and Administration	Dolores Wright Skate Park Improvements	9/26/2016	6/30/2020	125,000	124,794	-	206
16-A2428	Department of Finance and Administration	Mesquite Park Improvements	9/26/2016	6/30/2020	190,000	189,836	-	164
16-A2559	Department of Transportation	Jetport Runway 10-28 Upgrades	11/3/2016	6/30/2020	255,000	224,591	30,388	21
17-B4040	Department of Finance and Administration	Del Cerro Community Center Roof	10/27/2017	6/30/2019	43,420	41,095	-	2,325
18-C2485	Department of Finance and Administration	DAC Fairgrounds Improvements	10/5/2018	6/30/2022	120,000	-	37,357	82,643
18-2628	Department of Transportation	DAC International Jetport	10/22/2018	6/30/2022	1,138,000	-	99,227	1,038,773
18-C2504	Department of Finance and Administration	Mesquite Community Center Equipment	10/5/2018	6/30/2020	40,000	-	27,123	12,877
16-A2419	Department of Finance and Administration	Radium Springs Fire Station Improvements	11/18/2016	6/30/2020	396,000	26,558	2,250	367,192
Contract 11-093	Department of Transportation	Spaceport Rds E-070,071,072	9/27/2010	N/A	12,334,303	9,943,434	1,764,726	626,143
Contract 11-093	Department of Transportation	Spaceport Rds E-070,071,072	9/27/2010	N/A	-	49,034	-	(49,034)
C142054/C4044	Department of Transportation	Baylor Canyon/ Dripping	9/25/2018	6/30/2020	547,916	-	-	547,916
15-0914	Department of Transportation	McCombs Rd Improvements	12/22/2015	6/30/2019	125,000	121,738	3,262	-
15-0917	Department of Transportation	Berino Area Rd & Drainage Improvements	12/22/2015	6/30/2019	50,000	50,000	-	-
15-0919	Department of Transportation	Senna Rd Improvements	12/22/2015	6/30/2019	80,000	-	80,000	-
15-0920	Department of Transportation	Soledad Canyon Rd Improvements	12/22/2015	6/30/2019	200,000	96,000	24,000	80,000
15-0923	Department of Transportation	Airport Road	12/28/2015	6/30/2019	330,000	330,000	-	-
15-0924	Department of Transportation	Industrial Rd/ Airport Rd	12/28/2015	6/30/2019	4,000,000	1,973,782	2,022,383	3,835
16-A2561	Department of Transportation	Berino Area Rd & Drainage Improvements	1/23/2017	6/30/2020	175,000	73,867	101,133	-
16-A2659	Department of Transportation	Highway 136/Airport Rd/Industrial Rd	4/10/2017	6/30/2020	4,000,000	-	3,796,462	203,538
18-2629	Department of Transportation	Soledad Canyon Rd	10/22/2018	6/30/2022	1,101,000	-	469,276	631,724
18-2630	Department of Transportation	Via Norte Rd	10/22/2018	6/30/2022	75,000	-	3,807	71,193
18-2636	Department of Transportation	Mustang Rd	10/22/2018	6/30/2022	25,000	-	25,000	-
						\$ 13,579,448	8,486,394	3,619,797

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF CASH, INVESTMENTS, AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
AS OF JUNE 30, 2019**

Account Name	Account Type	Wells Fargo Bank, NA	Bank of the West	US Bank	New Mexico Finance Authority	Dona Ana County	Moreton Capital Markets	Mutual Securities	First New Mexico Bank	First American Bank
Cash, cash equivalents, and investments										
Operational	Checking*	\$ 816,332	-	-	-	-	-	-	-	-
Inmate Trust Fund	Checking*	164,374	-	-	-	-	-	-	-	-
Self Funded Health Insurance	Checking*	777,032	-	-	-	-	-	-	-	-
State Seizures	Money Market*	-	266	-	-	-	-	-	-	-
Debt Service Reserve	Reserves	-	-	453,704	69	-	-	-	-	-
Certificate of Deposits	Certificate of Deposits	1,271,967	-	-	-	-	14,745,488	751,700	500,000	1,000,000
Savings	Savings*	606	-	-	-	-	-	-	-	-
Money Market	Money Market*	43,458,516	-	-	-	-	(497,866)	-	-	-
US Treasury Notes and Bonds	Investment	998,536	-	-	-	-	392,737	-	-	-
County Bond	Investment	-	-	-	-	5,060,000	-	-	-	-
Federal Farm Credit	Investment	50,133	-	-	-	-	3,506,879	1,003,190	-	-
Federal Home Loan Bank	Investment	866,019	-	-	-	-	1,747,585	-	-	-
Federal Home Loan Mortgage Corp	Investment	-	-	-	-	-	2,336,323	1,999,860	-	-
Federal Agricultural Mortgage Corp	Investment	-	-	-	-	-	500,320	-	-	-
Federal National Mortgage	Investment	60,561	-	-	-	-	2,217,257	-	-	-
Fannie Mae/Freddie Mac	Investment	1,374,564	-	-	-	-	-	-	-	-
Petty cash	Petty Cash	-	-	-	-	-	-	-	-	-
Subtotal cash and investments		<u>49,838,640</u>	<u>266</u>	<u>453,704</u>	<u>69</u>	<u>5,060,000</u>	<u>24,948,723</u>	<u>3,754,750</u>	<u>500,000</u>	<u>1,000,000</u>
Total amount of deposit in bank		3,030,311	266	-	-	-	14,745,488	751,700	500,000	1,000,000
FDIC coverage		(414,374)	(266)	-	-	-	(14,745,488)	(751,700)	(250,000)	(250,000)
Total uninsured public funds		<u>2,615,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>750,000</u>
50% Collateral Requirement (Section 6-10-17 NMSA 1978)		1,307,969	-	-	-	-	-	-	125,000	375,000
102% Collateral Requirement (Section 6-10-10(H) NMSA 1978)		-	-	-	-	-	-	-	-	-
		<u>1,307,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>375,000</u>
Pledged security at:										
Citizens Bank		\$ -	-	-	-	-	-	-	-	-
Century Bank		-	-	-	-	-	-	-	-	-
First New Mexico Bank		-	-	-	-	-	-	-	265,324	-
First American Bank		-	-	-	-	-	-	-	-	535,355
First National Bank - Santa Fe (Sunflower Bank)		-	-	-	-	-	-	-	-	-
First Savings Bank		-	-	-	-	-	-	-	-	-
Wells Fargo Bank, NA (Mellon Bank)		5,545,186	-	-	-	-	-	-	-	-
Total collateral		<u>5,545,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,324</u>	<u>535,355</u>
Amount over/(under) collateralized		<u>\$ 4,237,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,324</u>	<u>160,355</u>
Amount over/(under) collateralized & insured		<u>\$ 4,651,591</u>	<u>266</u>	<u>453,704</u>	<u>-</u>	<u>-</u>	<u>14,745,488</u>	<u>751,700</u>	<u>390,324</u>	<u>410,355</u>
Total book balance		<u>\$ 45,720,819</u>	<u>266</u>	<u>453,704</u>	<u>69</u>	<u>5,060,000</u>	<u>24,948,723</u>	<u>3,754,750</u>	<u>500,000</u>	<u>1,000,000</u>

*denotes interest bearing account

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF CASH, INVESTMENTS, AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
AS OF JUNE 30, 2019**

Account Name	Account Type	Citizens Bank	White Sands Federal Credit Union	First National Bank - Santa Fe (Sunflower Bank)	Century Bank	First Savings Bank	Western Heritage Bank	Petty cash	Reconciling Items	Book Balance
Cash, cash equivalents, and investments										
Operational	Checking*	\$ -	-	-	-	-	-	-	(3,919,161)	(3,102,829)
Inmate Trust Fund	Checking*	-	-	-	-	-	-	-	(107,640)	56,734
Self Funded Health Insurance	Checking*	-	-	-	-	-	-	-	-	777,032
State Seizures	Money Market*	-	-	-	-	-	-	-	-	266
Debt Service Reserve	Reserves	-	-	-	-	-	-	-	-	453,773
Certificate of Deposits	Certificate of Deposits	3,000,000	250,633	3,000,000	3,250,000	3,000,000	250,000	-	-	31,019,788
Savings	Savings*	-	5	-	-	-	-	-	-	611
Money Market	Money Market*	-	-	-	-	-	-	-	(91,020)	42,869,630
US Treasury Notes and Bonds	Investment	-	-	-	-	-	-	-	-	1,391,273
County Bond	Investment	-	-	-	-	-	-	-	-	5,060,000
Federal Farm Credit	Investment	-	-	-	-	-	-	-	-	4,560,202
Federal Home Loan Bank	Investment	-	-	-	-	-	-	-	-	2,613,604
Federal Home Loan Mortgage Corp	Investment	-	-	-	-	-	-	-	-	4,336,183
Federal Agricultural Mortgage Corp	Investment	-	-	-	-	-	-	-	-	500,320
Federal National Mortgage	Investment	-	-	-	-	-	-	-	-	2,277,818
Fannie Mae/Freddie Mac	Investment	-	-	-	-	-	-	-	-	1,374,564
Petty cash	Petty Cash	-	-	-	-	-	-	9,512	-	9,512
Subtotal cash and investments		<u>3,000,000</u>	<u>250,638</u>	<u>3,000,000</u>	<u>3,250,000</u>	<u>3,000,000</u>	<u>250,000</u>	<u>9,512</u>	<u>(4,117,821)</u>	<u>94,198,481</u>
Total amount of deposit in bank		3,000,000	250,638	3,000,000	3,250,000	3,000,000	250,000	-		
FDIC coverage		(250,000)	(250,638)	(250,000)	(250,000)	(250,000)	(250,000)	-		
Total uninsured public funds		<u>2,750,000</u>	<u>-</u>	<u>2,750,000</u>	<u>3,000,000</u>	<u>2,750,000</u>	<u>-</u>	<u>-</u>		
50% Collateral Requirement (Section 6-10-17 NMSA 1978)										
		1,375,000	-	1,375,000	1,500,000	1,375,000	-	-		
102% Collateral Requirement (Section 6-10-10(H) NMSA 1978)										
		-	-	-	-	-	-	-		
		<u>1,375,000</u>	<u>-</u>	<u>1,375,000</u>	<u>1,500,000</u>	<u>1,375,000</u>	<u>-</u>	<u>-</u>		
Pledged security at:										
Citizens Bank		2,259,166	-	-	-	-	-	-		
Century Bank		-	-	-	2,365,313	-	-	-		
First New Mexico Bank		-	-	-	-	-	-	-		
First American Bank		-	-	-	-	-	-	-		
First National Bank - Santa Fe (Sunflower Bank)		-	-	2,910,612	-	-	-	-		
First Savings Bank		-	-	-	-	1,421,685	-	-		
Wells Fargo Bank, NA (Mellon Bank)		-	-	-	-	-	-	-		
Total collateral		<u>2,259,166</u>	<u>-</u>	<u>2,910,612</u>	<u>2,365,313</u>	<u>1,421,685</u>	<u>-</u>	<u>-</u>		
Amount over/(under) collateralized		<u>\$ 884,166</u>	<u>-</u>	<u>1,535,612</u>	<u>865,313</u>	<u>46,685</u>	<u>-</u>	<u>-</u>		
Amount over/(under) collateralized & insured		<u>\$ 1,134,166</u>	<u>250,638</u>	<u>1,785,612</u>	<u>1,115,313</u>	<u>296,685</u>	<u>250,000</u>	<u>-</u>		
Total book balance		<u>\$ 3,000,000</u>	<u>250,638</u>	<u>3,000,000</u>	<u>3,250,000</u>	<u>3,000,000</u>	<u>250,000</u>	<u>9,512</u>		

*denotes interest bearing account

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF COLLATERAL
AS OF JUNE 30, 2019**

BANK	CUSIP	CURRENT SHARES OR FACE VALUE	COUPON OR RATE	PAR OR MARKET VALUE	MATURITY DATE
WELLS FARGO FNMA FNMS	3138WMLRo	\$ 9,915,000	3.0000%	\$ 5,545,186	4/1/2043
FIRST NEW MEXICO BANK HOBBS NEW MEXICO SCHOOL DISTRICT	433866DS6	\$ 250,000	4.0000%	\$ 265,324	4/15/2025
FIRST AMERICAN BANK FHLB	619636ERo	\$ 126,023	3.5000%	\$ 129,230	10/15/2021
FHLB	085279UQ8	387,083	3.0000%	406,125	8/1/2026
		<u>513,106</u>		<u>\$ 535,355</u>	
CITIZENS BANK FHLB	3133X8EW8	\$ 2,000,000	5.3800%	\$ 2,259,166	8/15/2024
FIRST NATIONAL BANK OF SANTA FE (SUNFLOWER BANK) FHR 4289 GA	3137B72R9	\$ 2,869,540	3.0000%	\$ 2,910,612	8/15/2037
CENTURY BANK ALAMOGORDO NM MUN SCH DIST 01	011464JY1	\$ 357,197	2.0000%	\$ 353,738	8/1/2021
NM STATE EDUCATIONAL ASSISTANCE	647110EQ4	233,934	3.5000%	241,065	12/1/2024
COCOA FLA WTR & SWR REV	191783GG8	568,110	5.0000%	613,470	10/1/2037
NEW YORK ST DORM AUTH ST PERS INCOME	64990ED20	1,086,511	5.0000%	1,157,040	2/15/2037
Total Century Bank		<u>\$ 2,245,752</u>		<u>\$ 2,365,313</u>	
FIRST SAVINGS BANK FHLMC 10 YR	31306XQD8	\$ 124,725	2.5000%	\$ 123,928	9/1/2022
FHLMC 10 YR	31307BJW1	15,623	2.5000%	15,488	3/1/2023
FNMA 10 YR	31418BB54	29,586	3.0000%	29,420	4/1/2024
GNMA 15 YR	36176XE21	21,093	3.0000%	20,794	3/15/2027
FNMA 15 YR	3138MJWW5	63,413	3.0000%	63,118	11/1/2027
FNMA 15 YR	3138EKJA4	122,714	2.5000%	120,254	1/1/2028
FNMA 15 YR	3138EKJA4	73,262	2.5000%	71,794	1/1/2028
FNMA 15 YR	3140J5EA3	191,281	2.5000%	192,764	12/1/2029
FHLMC 15 YR	3128ME4Vo	125,210	2.5000%	124,782	1/1/2030
FHLMC 15 YR	3128ME4Vo	56,345	2.5000%	56,152	1/1/2030
FHLMC 15 YR	3128MECV1	147,833	3.0000%	146,925	2/1/2030
FNMA 15 YR	3138ETU53	45,953	3.0000%	45,396	2/1/2030
GNR 2010-115 QG	38377KKM1	1,314	3.0000%	1,310	11/20/2038
GNR 2010-150 GJ	38377NLJ1	2,530	3.0000%	2,525	9/20/2039
FNR 2010-135 CH	31398SN66	6,938	3.0000%	6,881	4/25/2040
FNR 2010-135 CH	31398SN66	20,815	3.0000%	20,643	4/25/2040
FNR 2010-135 CH	31398SN66	34,691	3.0000%	34,405	4/25/2040
FNR 2014-37 GJ	3136AKGQ0	103,959	3.5000%	103,606	6/25/2042
FNR 2014-37 GJ	3136AKGQ0	77,969	3.5000%	77,704	6/25/2042
FHR 4505 PA	3137BKWM8	164,177	3.0000%	163,795	5/15/2044
Total First Savings Bank		<u>\$ 1,429,429</u>		<u>\$ 1,421,685</u>	

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FUND BALANCES
AS OF JUNE 30, 2019

	Special Revenue Fund					Total Governmental Funds
	23111					
	General Fund	Fire Districts	State Appropriations	Debt Service Fund	Nonmajor Governmental Funds	
Fund Balances:						
Nonspendable:						
Inventory	\$ 8,285	-	-	-	-	8,285
Subtotal nonspendable	<u>8,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,285</u>
Restricted for:						
Detention center operations	-	-	-	-	858,555	858,555
Farm and range improvements	-	-	-	-	28,908	28,908
Road/drainage improvements	194,784	-	-	-	5,028,306	5,223,090
Flood control projects	-	-	-	-	9,902,577	9,902,577
Airport	-	-	-	-	384,968	384,968
Debt service reserve	-	-	-	1,404,407	-	1,404,407
County clerk operations	-	-	-	-	276,984	276,984
Environmental projects	-	-	-	-	201,390	201,390
DWI enforcement and education	-	-	-	-	691,125	691,125
Public safety	13,817	-	138,967	-	427,924	580,708
Firefighting efforts and public safety	-	10,736,642	-	-	-	10,736,642
Law enforcement enhancement	-	-	-	-	1,500	1,500
Appraisal operations	-	-	-	-	873,179	873,179
Spaceport	-	-	-	-	394,019	394,019
Medicaid fund	-	-	-	-	2,943,648	2,943,648
Sustainable housing and community develop	-	-	-	-	387,479	387,479
Infrastructure improvements	-	-	-	-	8,517	8,517
Health and welfare	-	-	-	-	5,749,353	5,749,353
Reserve requirement	22,308,437	-	-	-	-	22,308,437
Subtotal restricted	<u>22,517,038</u>	<u>10,736,642</u>	<u>138,967</u>	<u>1,404,407</u>	<u>28,158,432</u>	<u>62,955,486</u>
Committed to:						
Debt service	-	-	-	4,957	-	4,957
Public safety	2,581,619	-	-	-	-	2,581,619
Employee training and equipment	-	-	-	-	11,573	11,573
Crisis triage center	-	-	-	-	1,612,922	1,612,922
Road/water system improvements	78,539	-	-	-	73,682	152,221
Administrative building projects	-	-	-	-	696,900	696,900
Subtotal committed	<u>2,660,158</u>	<u>-</u>	<u>-</u>	<u>4,957</u>	<u>2,395,077</u>	<u>5,060,192</u>
Assigned to:						
Environmental projects	11,543	-	-	-	-	11,543
Public safety	5,204,311	-	-	-	-	5,204,311
Detention center operations	372,550	-	-	-	-	372,550
Road/drainage improvements	1,803,474	-	-	-	-	1,803,474
Health and welfare	102,000	-	-	-	146,872	248,872
Utilities	9,451	-	-	-	-	9,451
Other purposes	2,608,116	-	-	-	-	2,608,116
Subtotal assigned	<u>10,201,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,872</u>	<u>10,348,317</u>
Unassigned:						
	17,011,752	-	-	-	(5,817)	17,005,935
Total fund balances	<u>\$ 52,398,678</u>	<u>10,736,642</u>	<u>138,967</u>	<u>1,409,364</u>	<u>30,694,564</u>	<u>95,378,215</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF RECONCILIATION OF
PROPERTY TAX RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2019**

Reconciliation of Property Taxes Receivable

Taxes receivable, beginning of year	\$ 10,210,722
2018 Allowance added back	93,771
2008 Tax year dropped off	(155,877)
2019 Property tax assessment	136,478,500
Tax roll corrections and adjustments, net	<u>(11,603)</u>
Subtotal - net taxes due	146,615,513
Less Taxes Collected:	
Current	131,096,133
Delinquent	4,011,334
Taxes collected in advance applied to current year	<u>516,482</u>
Subtotal - net taxes collected	135,623,949
Total taxes to be collected	10,991,564
Allowance for uncollected taxes	<u>(103,320)</u>
Taxes receivable, end of year (net of allowance)	\$ 10,888,244
Property Taxes Receivable by Years:	
2009	\$ 164,660
2010	186,633
2011	219,416
2012	251,820
2013	298,477
2014	377,712
2015	485,972
2016	796,755
2017	2,382,754
2018	<u>5,827,365</u>
Total taxes receivable	10,991,564
Allowance for uncollected taxes	<u>(103,320)</u>
Taxes receivable, end of year, net of allowance	<u>\$ 10,888,244</u>

STATE OF NEW MEXICO
DOÑA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Allowance	Undistributed at Year-End	County Receivable at Year-End
DOÑA ANA COUNTY:											
General Ad Valorem	2018	\$ 44,370,197	42,462,761	42,462,761	42,031,964	42,462,761	5,669	5,669	17,878	-	1,883,889
General Ad Valorem	2017	43,002,608	980,433	42,192,114	1,237,993	42,192,114	-	-	7,618	-	802,876
General Ad Valorem	2016	41,733,834	497,455	41,466,196	443,825	41,466,196	-	642	2,509	-	264,487
General Ad Valorem	2015	41,034,422	112,713	40,873,109	189,385	40,873,109	-	(21)	1,516	-	159,818
General Ad Valorem	2014	39,794,705	43,545	39,668,856	44,964	39,668,856	-	-	1,183	-	124,666
General Ad Valorem	2013	38,742,597	19,990	38,643,332	19,544	38,643,332	-	-	933	-	98,332
General Ad Valorem	2012	37,503,871	10,162	37,420,794	9,727	37,420,794	-	-	781	-	82,296
General Ad Valorem	2011	36,004,617	6,934	35,932,098	6,317	35,932,098	-	-	682	-	71,837
General Ad Valorem	2010	35,493,672	5,669	35,433,232	8,961	35,433,232	-	3	567	-	59,870
General Ad Valorem	2009	34,093,065	5,213	34,038,854	18,602	34,038,854	-	-	511	-	53,700
TOTAL GENERAL AD VALOREM		391,773,588	44,144,875	388,131,346	44,011,282	388,131,346	5,669	6,293	34,178	-	3,601,771
County Debt Service	2018	480,777	460,276	460,276	455,638	460,276	56	56	192	-	20,253
County Debt Service	2017	467,513	10,530	458,803	13,377	458,803	-	-	82	-	8,628
County Debt Service	2016	457,878	5,397	454,918	4,812	454,918	-	7	28	-	2,925
County Debt Service	2015	466,690	1,296	464,796	2,162	464,796	-	-	18	-	1,876
County Debt Service	2014	336,929	378	335,837	388	335,837	-	-	10	-	1,082
County Debt Service	2013	383,954	209	382,952	205	382,952	-	-	9	-	993
County Debt Service	2012	554,373	162	553,136	154	553,136	-	-	12	-	1,225
County Debt Service	2011	560,694	117	559,567	107	559,567	-	-	11	-	1,116
County Debt Service	2010	572,631	99	571,654	139	571,654	-	-	9	-	968
County Debt Service	2009	550,886	94	550,022	262	550,022	-	-	8	-	856
TOTAL COUNTY DEBT SERVICE		4,832,325	478,558	4,791,961	477,244	4,791,961	56	63	379	-	39,922
Flood Levy	2018	2,576,909	2,436,034	2,436,034	2,412,433	2,436,034	3,873	3,873	1,288	-	135,714
Flood Levy	2017	2,466,103	69,492	2,402,498	84,356	2,402,498	-	-	598	-	63,007
Flood Levy	2016	2,357,255	32,458	2,335,172	27,936	2,335,172	-	1,106	197	-	20,780
Flood Levy	2015	2,313,963	7,585	2,299,642	12,486	2,299,642	-	(1)	134	-	14,188
Flood Levy	2014	2,228,448	2,833	2,217,254	2,855	2,217,254	-	-	105	-	11,089
Flood Levy	2013	2,186,249	1,477	2,177,350	1,397	2,177,350	-	-	84	-	8,815
Flood Levy	2012	2,057,316	847	2,050,653	768	2,050,653	-	-	63	-	6,600
Flood Levy	2011	1,952,018	597	1,946,472	547	1,946,472	-	-	52	-	5,494
Flood Levy	2010	1,882,368	839	1,877,598	756	1,877,598	-	-	45	-	4,725
Flood Levy	2009	1,831,660	996	1,827,699	1,732	1,827,699	-	-	37	-	3,924
TOTAL FLOOD LEVY		21,852,289	2,553,158	21,570,372	2,545,266	21,570,372	3,873	4,978	2,603	-	274,336
TOTAL DOÑA ANA COUNTY		418,458,202	47,176,591	414,493,679	47,033,792	414,493,679	9,598	11,334	37,160	-	3,916,029
MUNICIPALITIES:											
City of Las Cruces	2018	20,896,219	20,208,777	20,208,777	19,996,607	19,996,607	4,548	4,548	6,419	212,171	676,475
City of Las Cruces	2017	15,635,224	280,633	15,457,699	376,698	15,441,622	-	-	1,669	16,077	175,856
City of Las Cruces	2016	15,104,015	145,587	15,046,162	136,322	15,023,898	-	327	541	22,264	56,985
City of Las Cruces	2015	14,874,143	31,853	14,846,937	55,075	14,846,124	-	(3)	256	813	26,953
City of Las Cruces	2014	14,470,628	12,594	14,449,315	14,147	14,449,083	-	-	200	232	21,113
City of Las Cruces	2013	14,194,757	5,635	14,177,260	5,772	14,177,036	-	-	164	224	17,333
City of Las Cruces	2012	13,844,377	2,349	13,826,886	2,508	13,826,741	-	-	164	145	17,327
City of Las Cruces	2011	13,345,504	1,436	13,328,830	1,415	13,328,766	-	-	157	64	16,517
City of Las Cruces	2010	13,132,052	1,087	13,119,639	1,422	13,119,517	-	1	117	122	12,295
City of Las Cruces	2009	12,714,365	941	12,701,295	1,428	12,701,250	-	-	123	45	12,947
TOTAL CITY OF LAS CRUCES		148,211,284	20,690,892	147,162,800	20,591,394	146,910,644	4,548	4,873	9,810	252,157	1,033,801

STATE OF NEW MEXICO
DOÑA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Allowance	Undistributed at Year-End	County Receivable at Year-End
Village of Hatch	2018	107,973	101,076	101,076	96,749	96,749	-	-	65	4,327	6,832
Village of Hatch	2017	99,369	4,811	97,575	5,636	97,401	-	-	17	174	1,777
Village of Hatch	2016	93,594	1,942	93,004	1,913	92,800	-	1	6	204	583
Village of Hatch	2015	93,116	976	92,823	940	92,729	-	-	3	94	290
Village of Hatch	2014	88,545	811	88,282	811	88,282	-	-	2	-	261
Village of Hatch	2013	86,890	607	86,644	607	86,644	-	-	2	-	244
Village of Hatch	2012	84,441	20	84,188	20	84,188	-	-	2	-	251
Village of Hatch	2011	76,577	9	76,331	9	76,331	-	-	2	-	244
Village of Hatch	2010	65,753	9	65,579	9	65,579	-	-	2	-	172
Village of Hatch	2009	61,397	9	61,293	9	61,293	-	-	1	-	103
TOTAL VILLAGE OF HATCH		857,655	110,270	846,795	106,703	841,996	-	1	102	4,799	10,757
Town of Mesilla	2018	84,989	83,262	83,263	82,686	82,687	-	-	16	576	1,710
Town of Mesilla	2017	83,234	1,280	82,657	1,826	82,498	-	-	5	159	572
Town of Mesilla	2016	82,097	768	82,007	790	81,740	-	-	1	267	89
Town of Mesilla	2015	81,660	6	81,607	136	81,607	-	-	1	-	52
Town of Mesilla	2014	79,326	-	79,212	-	79,212	-	-	1	-	113
Town of Mesilla	2013	79,633	-	79,536	-	79,536	-	-	1	-	96
Town of Mesilla	2012	77,210	-	76,999	-	76,999	-	-	2	-	209
Town of Mesilla	2011	67,543	-	67,422	-	67,422	-	-	1	-	120
Town of Mesilla	2010	69,438	-	69,327	-	69,327	-	-	1	-	110
Town of Mesilla	2009	65,956	-	65,948	-	65,948	-	-	-	-	8
TOTAL TOWN OF MESILLA		771,086	85,316	767,978	85,438	766,976	-	-	29	1,002	3,079
City of Sunland Park	2018	1,810,219	1,708,281	1,708,281	1,691,042	1,691,042	14	14	958	17,239	100,966
City of Sunland Park	2017	1,763,673	45,459	1,725,725	56,308	1,723,972	-	-	357	1,753	37,591
City of Sunland Park	2016	1,643,585	24,719	1,631,529	21,480	1,626,278	-	7	113	5,251	11,936
City of Sunland Park	2015	1,633,976	7,850	1,625,776	12,928	1,625,369	-	-	77	407	8,123
City of Sunland Park	2014	1,558,720	2,803	1,551,924	2,821	1,551,840	-	-	64	84	6,732
City of Sunland Park	2013	1,351,653	1,032	1,346,223	966	1,346,139	-	-	51	84	5,379
City of Sunland Park	2012	1,196,129	637	1,191,724	590	1,191,659	-	-	41	65	4,364
City of Sunland Park	2011	507,465	265	505,732	255	505,701	-	-	16	31	1,717
City of Sunland Park	2010	501,917	177	500,456	143	500,420	-	-	15	36	1,446
City of Sunland Park	2009	474,291	35	472,773	5	472,740	-	-	14	33	1,504
TOTAL CITY OF SUNLAND PARK		12,441,628	1,791,258	12,260,143	1,786,538	12,235,160	14	21	1,706	24,983	179,758
TOTAL MUNICIPALITIES		162,281,653	22,677,736	161,037,716	22,570,073	160,754,776	4,562	4,895	11,647	282,941	1,227,395
SCHOOL DISTRICTS:											
Las Cruces PSD #2	2018	34,227,784	33,004,754	33,004,754	32,671,918	32,671,919	5,126	5,126	11,448	332,835	1,206,456
Las Cruces PSD #2	2017	33,326,645	632,675	32,869,296	837,943	32,830,068	-	-	4,299	39,228	453,050
Las Cruces PSD #2	2016	32,363,598	325,246	32,206,242	299,337	32,147,349	-	500	1,474	58,893	155,382
Las Cruces PSD #2	2015	31,324,957	68,273	31,235,037	120,819	31,232,210	-	(18)	845	2,827	89,093
Las Cruces PSD #2	2014	30,516,002	27,569	30,446,430	30,299	30,445,505	-	-	654	925	68,918
Las Cruces PSD #2	2013	30,129,599	12,320	30,076,124	12,517	30,075,570	-	-	503	554	52,972
Las Cruces PSD #2	2012	29,809,541	5,499	29,762,175	5,822	29,761,894	-	-	445	281	46,921
Las Cruces PSD #2	2011	29,169,223	3,767	29,126,984	3,922	29,126,838	-	-	397	146	41,842
Las Cruces PSD #2	2010	29,481,871	3,205	29,447,768	3,668	29,447,577	-	2	322	191	33,779
Las Cruces PSD #2	2009	28,681,201	3,032	28,648,120	3,583	28,647,906	-	-	311	214	32,770
TOTAL LAS CRUCES PSD #2		309,030,421	34,086,340	306,822,930	33,989,828	306,386,836	5,126	5,610	20,698	436,094	2,181,183

STATE OF NEW MEXICO
DOÑA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Allowance	Undistributed at Year-End	County Receivable at Year-End
Hatch Valley SD #11	2018	1,085,877	968,703	968,703	952,879	952,879	1	1	1,101	15,824	116,072
Hatch Valley SD #11	2017	1,077,618	111,253	961,637	119,719	959,851	-	-	1,090	1,786	114,891
Hatch Valley SD #11	2016	1,059,878	13,946	1,043,509	13,616	1,042,417	-	23	154	1,092	16,192
Hatch Valley SD #11	2015	1,020,855	6,294	1,014,290	6,855	1,013,885	-	-	62	405	6,503
Hatch Valley SD #11	2014	959,535	2,643	954,388	2,549	954,203	-	-	48	185	5,099
Hatch Valley SD #11	2013	938,144	1,488	932,966	1,488	932,966	-	-	49	-	5,129
Hatch Valley SD #11	2012	900,966	277	896,837	277	896,837	-	-	39	-	4,090
Hatch Valley SD #11	2011	870,877	206	867,277	206	867,277	-	-	34	-	3,566
Hatch Valley SD #11	2010	863,585	195	860,533	55	860,393	-	-	29	140	3,023
Hatch Valley SD #11	2009	825,519	460	823,236	460	823,236	-	-	21	-	2,262
TOTAL HATCH VALLEY SD #11		9,602,854	1,105,465	9,323,376	1,098,104	9,303,944	1	24	2,627	19,432	276,827
Gadsden ISD #16	2018	15,735,259	14,762,875	14,762,875	14,622,653	14,622,653	158	158	9,139	140,222	963,087
Gadsden ISD #16	2017	15,210,960	423,226	14,782,444	508,111	14,755,987	-	1	4,028	26,457	424,487
Gadsden ISD #16	2016	14,731,279	264,055	14,563,381	218,428	14,496,663	-	255	1,576	66,718	166,067
Gadsden ISD #16	2015	14,366,579	66,203	14,250,114	103,842	14,243,334	-	-	1,095	6,780	115,370
Gadsden ISD #16	2014	13,700,185	24,253	13,609,904	21,823	13,604,072	-	-	848	5,832	89,433
Gadsden ISD #16	2013	12,967,333	12,527	12,895,327	11,413	12,893,045	-	-	677	2,282	71,329
Gadsden ISD #16	2012	12,466,230	8,928	12,408,972	7,549	12,406,872	-	-	538	2,100	56,720
Gadsden ISD #16	2011	12,033,265	6,369	11,983,698	5,009	11,981,837	-	-	466	1,861	49,101
Gadsden ISD #16	2010	11,971,037	5,221	11,925,212	8,983	11,923,832	-	-	431	1,380	45,394
Gadsden ISD #16	2009	11,331,063	4,624	11,294,352	22,430	11,293,049	-	-	345	1,303	36,366
TOTAL GADSDEN ISD #16		134,513,190	15,578,281	132,476,279	15,530,241	132,221,344	158	414	19,143	254,935	2,017,354
TOTAL SCHOOL DISTRICTS		453,146,465	50,770,086	448,622,585	50,618,173	447,912,124	5,285	6,048	42,468	710,461	4,475,364
NEW MEXICO DFA											
N. M. DFA	2018	6,160,632	5,876,127	5,876,126	5,817,544	5,817,543	707	707	2,668	58,582	281,131
N. M. DFA	2017	6,029,280	133,362	5,879,755	169,280	5,872,048	-	1	1,406	7,707	148,118
N. M. DFA	2016	5,864,788	67,494	5,824,683	60,204	5,811,087	-	93	376	13,596	39,636
N. M. DFA	2015	5,846,198	15,629	5,819,837	25,969	5,818,850	-	4	248	987	26,109
N. M. DFA	2014	5,657,723	6,063	5,637,459	6,229	5,636,836	-	-	190	623	20,074
N. M. DFA	2013	5,515,948	2,892	5,500,915	2,828	5,500,653	-	-	140	262	14,893
N. M. DFA	2012	5,430,888	1,532	5,418,269	1,464	5,418,059	-	-	119	210	12,500
N. M. DFA	2011	5,276,181	1,079	5,265,162	989	5,264,990	-	-	104	172	10,915
N. M. DFA	2010	5,945,252	1,016	5,934,693	1,410	5,934,520	-	-	99	173	10,460
N. M. DFA	2009	4,409,401	755	4,401,850	2,033	4,401,735	-	-	71	115	7,480
TOTAL NM DFA (LEVY & LVSTK)		56,136,291	6,105,949	55,558,749	6,087,950	55,476,321	707	805	5,421	82,427	571,316
DOÑA ANA BRANCH COMMUNITY COLLEGE:											
NMSU											
DABCC	2018	8,910,850	8,531,197	8,531,197	8,445,301	8,445,301	1,040	1,040	3,559	85,896	375,054
DABCC	2017	6,942,966	155,996	6,813,924	198,182	6,804,863	-	-	1,213	9,061	127,829
DABCC	2016	8,423,511	99,027	8,369,198	88,302	8,349,204	-	135	509	19,994	53,669
DABCC	2015	8,205,084	22,714	8,171,894	37,909	8,170,443	-	(4)	312	1,451	32,882
DABCC	2014	7,953,720	8,894	7,928,023	9,138	7,927,106	-	-	242	917	25,455
DABCC	2013	7,783,737	4,231	7,763,500	4,137	7,763,115	-	-	190	385	20,047
DABCC	2012	7,659,135	2,231	7,642,066	2,131	7,641,758	-	-	160	308	16,909
DABCC	2011	7,475,918	1,562	7,460,893	1,430	7,460,640	-	-	141	253	14,884
DABCC	2010	7,476,396	1,295	7,463,642	1,812	7,463,418	-	-	120	224	12,634
DABCC	2009	7,201,505	1,222	7,190,207	3,446	7,190,010	-	-	106	197	11,192
TOTAL DABCC - NMSU (OPER & DEBT)		78,032,822	8,828,369	77,334,544	8,791,788	77,215,858	1,040	1,171	6,552	118,686	690,555

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DOÑA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

Agency		Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Allowance	Undistributed at Year-End	County Receivable at Year-End
WATERSHED DISTRICT											
McClead WD	2018	3,577	2,993	2,993	2,940	2,940	-	-	5	53	579
McClead WD	2017	3,397	128	2,973	128	2,973	-	-	5	-	419
McClead WD	2016	4,351	-	4,338	-	4,338	-	-	-	-	13
McClead WD	2015	4,915	-	4,902	-	4,902	-	-	-	-	13
McClead WD	2014	4,854	-	4,841	-	4,841	-	-	-	-	13
McClead WD	2013	4,879	-	4,866	-	4,866	-	-	-	-	13
McClead WD	2012	4,928	-	4,928	-	4,928	-	-	-	-	-
McClead WD	2011	4,911	-	4,911	-	4,911	-	-	-	-	-
McClead WD	2010	4,803	-	4,803	-	4,803	-	-	-	-	-
McClead WD	2009	2,992	-	2,992	-	2,992	-	-	-	-	-
TOTAL McCLEAD WD		43,607	3,121	42,547	3,068	42,494	-	-	10	53	1,050
SOIL & WATER CONSERVATION DISTRICT											
Caballo SWCD	2018	56,947	52,347	52,347	51,191	51,191	189	189	41	1,156	4,370
Caballo SWCD	2017	53,631	8,325	52,365	8,862	52,211	-	-	12	154	1,254
Caballo SWCD	2016	51,665	776	51,132	712	51,034	-	6	5	98	522
Caballo SWCD	2015	51,773	427	51,638	469	51,619	-	-	1	19	134
Caballo SWCD	2014	48,409	117	48,292	119	48,291	-	-	1	1	116
Caballo SWCD	2013	48,184	104	48,085	104	48,085	-	-	1	-	98
Caballo SWCD	2012	47,307	1	47,265	1	47,265	-	-	1	-	41
Caballo SWCD	2011	-	-	-	-	-	-	-	-	-	-
Caballo SWCD	2010	-	-	-	-	-	-	-	-	-	-
Caballo SWCD	2009	-	-	-	-	-	-	-	-	-	-
TOTAL CABALLO SWCD		357,916	62,097	351,124	61,458	349,696	189	195	62	1,428	6,535
TOTAL NMST, DABCC & WSD		134,570,636	14,999,536	133,286,964	14,944,264	133,084,369	1,936	2,171	12,045	202,594	1,269,456
GRAND TOTALS											
	2018	136,508,209	130,659,463	130,659,463	129,331,545	129,790,582	21,381	21,381	54,777	868,881	5,772,588
	2017	126,162,221	2,857,603	123,779,465	3,618,419	123,676,909	-	2	22,399	102,556	2,360,355
	2016	123,971,328	1,478,870	123,171,471	1,317,677	122,983,094	-	3,102	7,489	188,377	789,266
	2015	121,318,331	341,819	120,832,402	568,975	120,818,619	-	(43)	4,568	13,783	481,404
	2014	117,397,729	132,503	117,020,017	136,143	117,011,218	-	-	3,548	8,799	374,164
	2013	114,413,557	62,512	114,115,080	60,978	114,111,289	-	-	2,804	3,791	295,673
	2012	111,636,712	32,645	111,384,892	31,011	111,381,783	-	-	2,367	3,109	249,453
	2011	107,344,793	22,341	107,125,377	20,206	107,122,850	-	-	2,063	2,527	217,353
	2010	107,460,775	18,812	107,274,136	27,358	107,271,870	-	6	1,757	2,266	184,876
	2009	102,243,301	17,381	102,078,641	53,990	102,076,734	-	-	1,548	1,907	163,112
TOTALS		\$ 1,168,456,956	135,623,949	1,157,440,944	135,166,302	1,156,244,948	21,381	24,448	103,320	1,195,996	10,888,244

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

#	Contract Number	Participants	Responsible Party for Operations	Begin Date	End Date	Scope of Work	Total Estimated Amount of Project	Contribution in current fiscal year	Audit Responsibility	Revenues and Expenditures Reported
1	90DAC.2910.1	Elephant Butte Irrigation District	EBID	7/1/1990	Auto renews	Repair and maintenance of certain dams and flood control structures - Flood Commission @ 75%; EBID @ 25%	Project costs vary from year to year	\$ 30,522	EBID	DAC
2	95/2910.1 DAC 14-182	CLC, Mesilla, Hatch, Sunland Park, Anthony, DAC	CLC	6/1/1995	Perpetual	Mesilla Valley Regional Dispatch Authority (MVRDA) - Public Safety Communications Dispatch functions	Each party makes annual financial contributions to operate MVRDA	\$ 1,644,683	CLC	CLC
3	95/2910.6 01-0044	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	\$ 300,543	CLC	CLC
4	96/2910.19	City of Las Cruces	N/A	5/12/1987	Perpetual	Establish a joint City/County Commission for subdivision & 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

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

#	Contract Number	Participants	Responsible Party for Operations	Begin Date	End Date	Scope of Work	Total Estimated Amount of Project	Contribution in current fiscal year	Audit Responsibility	Revenues and Expenditures Reported
9	00/2910.22	City Of Las Cruces, Town of Mesilla	N/A	12/21/1999	Perpetual	Metropolitan Planning Organization	Project costs vary from year to year 10001-10225-72493	\$ 30,520	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	09-191	Dona Ana County, City of Sunland Park, CRRUA	CSP/DAC	2/24/2009	Perpetual	Camino Real Regional Utility Authority	Project costs vary from year to year	\$ -	CRRUA	CRRUA
12	09-039	City of Las Cruces-Animal Services	CLC	10/30/2008	Perpetual	Mesilla Valley Animal Services Center	Project costs vary from year to year 10001-20501-72525	\$ 1,250,000	CLC	CLC
13	10-167	EMNRD - 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. Spells out reimbursement terms.	Per Event	\$ -	DAC	DAC
14	15-106	Dona Ana County, City of Sunland Park, CRRUA	CRRUA	2/1/2012	10/12/2021 (5 yr increments)	DAC to Provide Fiscal Management and Administrative Services to CRRUA	\$135,000 per year. Increase annually based on Consumer Price Index (CPI) increase after the second year.	\$ 148,311	CRRUA	DAC/CRRUA
15	18-088 (07-110 original JPA)	South Central Regional Transit District (SCRTD)	SCRTD	9/13/2017	6/30/2018	To provide current funds for capital and operational expenses for Public Transportation to areas covered in the transit plan.	NTE \$350,000.00 annually	\$ 350,000	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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Program Title	Federal CFDA Number	Project/ Pass-Through Number	Award Amount	Accrued or (Unearned) Revenue at June 30, 2018	Receipts	Expenditures	Accrued or (Unearned) Revenue at June 30, 2019
U.S. Department of Health and Human Services							
Assisted Outpatient Treatment Grant Program (Year 2)	93.997	* 5H79SM063538-02	759,915	275,548	(654,384)	378,836	-
Assisted Outpatient Treatment Grant Program (Year 3)	93.997	* 5H79SM063538-03	710,803	-	(295,497)	410,604	115,107
Passed through Optum Health							
Prevent Prescription Drug/Opioid Overdose-Related Deaths Grant	93.243	PDO-BF30	79,030	-	(68,972)	-	(68,972)
Passed Through NM Department of Health							
Prevent Prescription Drug/Opioid Overdose Grant (2018)	93.243	PDO-BF30	178,317	45,468	(45,468)	-	-
Prevent Prescription Drug/Opioid Overdose Grant (2019)	93.243	PDO-BF30	182,206	-	(115,878)	165,171	49,293
Opioid STR Grant	93.788	5H79TI080267-02	20,000	(2,848)	-	1,271	(1,577)
Opioid STR Grant (Year 2)	93.788	5H79TI080267-02	15,000	-	(15,000)	7,605	(7,395)
Passed Through the National Association of County and City Health Officials							
Medical Reserve Corps Small Grant Program	93.008	MRC 17-0553	13,000	(3,035)	-	-	(3,035)
Total U.S. Department of Health and Human Services			1,961,271	315,133	(1,195,199)	963,487	83,421
Federal Emergency Management Assistance (FEMA)							
JAG Program							
State Homeland Security Grant EMPG	97.042	EMT-2017-EP-00002-S01-DAC	129,497	13,821	(13,821)	-	-
State Homeland Security Grant EMPG	97.042	EMT-2018-EP-00006-S01-DAC	134,776	-	(42,534)	87,460	44,926
Subtotal JAG Program			264,273	13,821	(56,355)	87,460	44,926
Homeland Security							
State Homeland Security Grant	97.067	EMW-2016-SS-00105-Dona Ana County	22,718	1,247	(1,247)	-	-
State Homeland Security Grant	97.067	EMW-2017-SS-00032-S01-Dona Ana County	267,554	1,278	(26,546)	258,801	233,533
State Homeland Security Grant	97.067	EMW-2015-SS-00110-S01-DASO OPSG	849,029	115,919	(187,079)	71,160	-
State Homeland Security Grant	97.067	EMW-2016-SS-00105-DASO OPSG	708,000	287,754	(518,031)	230,277	-
State Homeland Security Grant	97.067	EMW-2017-SS-00105-DASO OPSG	750,000	-	(80,491)	257,920	177,429
State Homeland Security Grant	97.067	EMW-2018-SS-00045-DASO OPSG	244,346	-	-	12,768	12,768
Hazard Mitigation							
State Homeland Security Grant	97.039	FEMA-4199-DR-NM-014	77,499	-	(42,050)	41,444	(606)
Subtotal Homeland Security			2,979,146	406,198	(855,444)	872,370	423,124
Passed Through the New Mexico Department of Homeland Security and Emergency Management							
Asylum Seekers Grant	97.052	DAC 19-183	250,000	-	-	113,763	113,763
Total FEMA			3,493,419	420,019	(911,799)	1,073,593	581,813
U.S. Department of Defense							
Joint Land Use Study	12.610	HQ0005151051	588,590	173,599	(174,450)	851	-
Total U.S. Department of Defense			588,590	173,599	(174,450)	851	-
U.S. Department of the Interior							
Passed through NM Bureau of Land Management:							
Law Enforcement Services	15.227	L13PX00452 Opt Yr. 4 - 5/1/17 Start Date	22,500	3,391	(3,391)	-	-
Total U.S. Department of the Interior			22,500	3,391	(3,391)	-	-
U.S. Dept of Justice							
Federal Bureau of Investigation:							
Organized Crime Drug Enforcement Task Forces	16.111	SW-NM-0327	4,000	2,666	(2,666)	-	-
Organized Crime Drug Enforcement Task Forces	16.111	SW-NM-0345 H	28,800	-	(9,629)	12,990	3,361
Organized Crime Drug Enforcement Task Forces	16.111	SW-NM-0327	5,000	-	-	5,000	5,000
Drug Enforcement Administration:							
DEA Projects	16.111	N/A	54,126	4,345	(14,810)	10,464	(1)
DEA Projects	16.111	N/A	55,031	-	(18,711)	21,426	2,715
Total U.S. Department of Justice			176,933	7,011	(45,816)	49,880	11,075
U.S. Department of Transportation							
Federal Aviation Administration:							
West Taxiway Phase 2 Construction	20.106	#3-35-0055-022-2017	559,460	501,103	(558,119)	57,016	-
Pavement Drainage Improvements	20.106	#3-35-0055-023-2018	175,937	30,767	(151,675)	120,908	-
Passed through NM State Highway and Transportation Department							
Hazardous Materials Emergency Preparedness Grant Program	20.703	HM-HMP-0579-16-01-00-Dona Ana County	3,754	3,228	(3,228)	-	-
Hazardous Materials Emergency Preparedness Grant Program	20.703	HM-HMP-0579-16-03-00-Dona Ana County	2,040	-	-	1,950	1,950
Highway Safety Cluster							
STEP GRANT	20.600	18-ST-02-031	47,740	17,637	(45,903)	28,266	-
STEP GRANT	20.600	19-PT-02-031	47,016	-	(3,931)	25,755	21,824
Subtotal Highway Safety Cluster			94,756	17,637	(49,834)	54,021	21,824
ENDWI (FY18-FY19)	20.608	18-AL-64-031	38,010	19,761	(30,889)	11,128	-
ENDWI (FY19-FY20)	20.608	19-AL-64-031	38,016	-	(2,419)	7,493	5,074
Bat Mobile (FY18-FY19)	20.608	18-AL-64-P24	478,635	-	(478,635)	478,635	-
Traffic and Criminal Software (TraCS)	20.608	16-HE-64-P01, P03, P04	527,020	18,814	(130,817)	136,344	24,341
Total U.S. Department of Transportation			1,917,628	591,310	(1,405,616)	867,495	53,189
Environmental Protection Agency							
Vado Lift Station #7 and Sleepy Farms	66.202	TAA-010NADBC-19-127	13,985	-	-	3,834	3,834
Total U.S. Department of the Interior			13,985	-	-	3,834	3,834
Total Federal Expenditures			\$ 8,173,426	1,510,463	(3,736,271)	2,959,140	733,332

* denotes major program

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

Federal grant revenue per fund financials	\$ 2,959,140
Federal expenditures per SEFA	<u>2,959,140</u>
Difference - due to rounding	<u>\$ -</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant expenditure activity for the financial statements of the organization. The schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

Note 2 - Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended June 30, 2019.

Note 3 - Subrecipients

The organization provided the following federal awards to subrecipients during the year:

<u>Subrecipient</u>	<u>CFDA Number</u>	<u>Project Number</u>	<u>Amount Provided</u>
City of Las Cruces	97.067	EMW-2016-SS-00105-S01-DASO OPSPG	\$ 17,020
New Mexico Department of Public Safety (State Police)	97.067	EMW-2016-SS-00105-S01-DASO OPSPG	55,682
New Mexico Department of Public Safety (State Police)	97.067	EMW-2017-SS-00105-DASO OPSPG	45,824
Village of Hatch	97.067	EMW-2017-SS-00105-DASO OPSPG	877
New Mexico State University	93.997	5H79SM063538-02	106,166
New Mexico State University	93.997	5H79SM063538-03	<u>64,430</u>
Total funds provided to subrecipients			<u>\$ 289,999</u>

Note 4 - Federal Insurance

The organization is re-deemed an employee of the Federal Government for the purposes of malpractice liability protection under the Federal Tort Claims Act (FTCA) during the budget period, for the period this audit report covers.

Note 5 - Indirect Cost Rate

The organization did not use the 10 percent de minimis indirect cost rate.

**INDEPENDENT AUDITOR'S REPORT INDEPENDENT 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**

The Board of County Commissioners
State of New Mexico, Doña Ana County and
Mr. Brian Colón, State Auditor
State of New Mexico, Office of the State Auditor

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, the budgetary comparisons for the general fund and major special revenue funds of Doña Ana County (County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 2, 2019.

Internal Control Over Financial Reporting

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

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

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 were not identified.

DECEMBER 2, 2019

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

The County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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



Hinkle + Landers, P.C.
Albuquerque, NM
December 2, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

The Board of County Commissioners
State of New Mexico, Doña Ana County and
Mr. Brian Colón, State Auditor
State of New Mexico, Office of the State Auditor

Report on Compliance for Each Major Federal Program

We have audited Doña Ana County's (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, 2019. 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 laws, regulations, contracts, and grants 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, 2019.

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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Hinkle + Landers, P.C.
Albuquerque, NM
December 2, 2019

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report independent auditor issued on financial statements **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are (is) not considered to be a material weakness(es)? Yes No
- Noncompliance material to the financial statements noted? Yes No

Federal Awards

Type of opinion independent auditor issued on compliance for major federal awards **Unmodified**

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are (is) not considered to be a material weakness(es)? Yes No

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a) Yes No

Identification of major programs:

CFDA Number	Name of Federal Programs or Cluster	Funding Source
93.997	Assisted Outpatient Treatment Grant Program	U.S. Department of Health and Human Services

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

Auditee qualified as low-risk auditee? Yes No

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019**

<u>Reference #</u>	<u>Finding</u>	<u>Status of Prior Year Findings</u>	<u>Type of Finding</u>
Prior Year Findings			
None			
Current Year Findings			
2019-001	NON-COMPLIANCE WITH NEW MEXICO STATE STATUTES OVER ADDITIONAL APPRAISER CERTIFICATION COMPENSATION	Current	C, G

* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Finding that Does Not Rise to the Level of a Significant Deficiency (Other Matters)
Involving Internal Control Over Financial Reporting
- D. Material Weakness in Internal Control Over Compliance of Federal Awards
- E. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F. Instance of Noncompliance related to Federal Awards
- G. Non-compliance with State Audit Rule, NM State Statutes, NMAC, or other entity
compliance
- H. Instance of Material Non-compliance

CURRENT YEAR

**2019-001 – NON-COMPLIANCE WITH NEW MEXICO STATE STATUTES OVER
ADDITIONAL APPRAISER CERTIFICATION COMPENSATION**

Type of Finding: C, G

Statement of Condition

During our audit, we identified that a previous County Assessor had been paid the incorrect incentive rate for “Appraiser” certifications beginning July 1, 2015 through November 2018. In 2015 New Mexico legislation amended 4-39-5 “Additional Compensation to Appraisers” to increase incentive pay, for qualifying appraisers employed in the office of the assessor, to a cumulative total of \$7,500 if the appraiser held all 4 “Appraiser” certificates. However, this increase did not apply to the County Assessor, who receives additional compensation per 4-39-4 “Additional Compensation to Assessors”. NM Statute 4-39-4 was not amended and the most the County Assessor could be compensated remained at \$3,500 for an Assessor who held all 4 “Appraiser” certificates, which the Doña Ana County Assessor held. As a result of the misinterpretation, the County Assessor began collecting \$7,500 per year beginning on July 1, 2015 and therefore, the County Assessor was overpaid \$13,661.88 during his term.

The County sent the previous County Assessor a formal Memorandum on December 10, 2018 informing the County Assessor of the calculated \$13,661.88 overpayment, notifying him of the garnishments on his subsequent 2 paychecks, and stating an agreement would need to be made for the remaining balance after his term ended, which was December 31, 2018. In December 2018, garnishments of the County Assessor’s paycheck were applied to his final two paychecks (\$750 each for a total of \$1,500). However, once the County Assessor’s term ended in December 31, 2018, there were no additional repayments to the County for the remaining \$12,161.88 balance.

STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

Due to the overpayment the County Assessor received salaries that exceeded the New Mexico legislation 4-44-4 Class A Counties Salaries allowed amounts. In calendar years 2015, 2016, and 2017 the cap on the County Assessors compensation was \$65,501 and a maximum of \$3,500 additional compensation of "Appraiser" certificate incentive compensation, for a total of \$78,827 per calendar year. The County Assessor's total salaries for calendar years 2015, 2016, and 2017 were \$80,148, \$86,010, and \$82,824, respectively, which exceeded that allowed salaries.

Due to the County's determination that the statutes are open to interpretation, they have reached out to the New Mexico Attorney General's Office in July of 2019 for clarification on statutes 4-39-4 and 4-39-5. They have yet to receive a response. In May 2019, the County hired the previous County Assessor as the Facilities Manager with the understanding that once a determination is made the County will either repay the previous County Assessor's garnished wages or will collect the remaining balance of \$12,161.88.

Criteria

New Mexico Statute 4-39-4. Additional compensation to assessors. "In addition to the salaries provided for county assessors in Sections 4-44-4 through 4-44-12 NMSA 1978, county assessors may receive:

- A. an additional five hundred dollars (\$500) a year for holding an "Appraiser 1" certificate;
- B. an additional one thousand dollars (\$1,000) a year for holding an "Appraiser 2" certificate;
- C. an additional one thousand dollars (\$1,000) a year for holding an "Appraiser 3" certificate; and
- D. an additional one thousand dollars (\$1,000) a year for holding an "Appraiser 4" certificate."

New Mexico Statute 4-39-5. Additional compensation to appraisers. "A board of county commissioners may provide additional cumulative increments to the salary of any qualifying appraiser employed in the office of the assessor as an incentive for obtaining greater qualification levels up to the following amounts:

- A. an additional five hundred dollars (\$500) a year for holding an "Appraiser 1" certificate;
- B. an additional one thousand five hundred dollars (\$1,500) a year for holding an "Appraiser 2" certificate;
- C. an additional two thousand five hundred dollars (\$2,500) a year for holding an "Appraiser 3" certificate; and
- D. an additional three thousand dollars (\$3,000) a year for holding an "Appraiser 4" certificate."

New Mexico Statute 4-44-4 (January 1, 2014 through May 15, 2018). Class A counties; salaries. "The annual salaries of elected officers of class A counties shall not exceed:

- A. county commissioners, thirty-nine thousand one hundred six dollars (\$39,106) each;
- B. treasurer, eighty-six thousand six hundred twenty-six dollars (\$86,626);
- C. assessor, eighty-six thousand six hundred twenty-six dollars (\$86,626);
- D. sheriff, ninety thousand three hundred thirty-eight dollars (\$90,338);
- E. county clerk, eighty-six thousand six hundred twenty-six dollars (\$86,626); and
- F. probate judge, thirty-eight thousand one hundred fourteen dollars (\$38,114)."

Cause

When processing increases in pay for appraisers pursuant to HB 348 (amending §4-39-5 NMSA 1978), the County Human Resources Department relied on the County Commission's approval of increases in incentive pay for employees of the office of the assessor, including the County Assessor.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019**

Effect

It appears the County was not in compliance with New Mexico statutes 4-39-4 and 4-44-4 during calendar years 2015, 2016, 2017, and 2018. The County paid the County Assessor more than was allowed by New Mexico State statute.

Recommendation

We recommend the County formally document the arrangement with the previous County Assessor outlining the actions that will be taken by both the County and the previous County Assessor once clarification is received the Attorney General regarding the statutes.

We also recommend the County follow-up with the New Mexico Attorney General's office on the status of their requested opinion of the statutes.

View of Responsible Officials and Corrective Action Plan

The County concurs with the recommendation and will provide the requested documentation upon receipt of the Attorney General opinion.

Garnishments of the previous County Assessor's paycheck were applied to his final two paychecks. The previous County Assessor disputed whether the County was properly withholding, alleging he was entitled to the higher stipend and used the Assessor Affiliate as support. There are a number of other assessors and counties that have allowed it. Because this is a statewide issue, and not just at Doña Ana County, a request for a formal opinion in this matter has been submitted to the New Mexico Attorney General.

The County prefers to wait for the opinion before taking further action. When the legal opinion is received, the County will act in accordance with the opinion. If the opinion concludes that the previous County Assessor owes the County a balance, the County will take appropriate action to obtain payment from the previous County Assessor for the remaining balance of overpayment. The County is in a position to garnish his paychecks if needed. While waiting for the determination of the Attorney General, the County will begin deducting \$116.94 per pay period until the balance is recovered. If the Attorney General determines the payment to the former Assessor was appropriate, that amount deducted will be refunded to the prior Assessor.

Finding resolution timeline: The County will seek a status update from the Attorney General at least monthly until the AG issues a formal opinion or otherwise responds. The County will act in a manner consistent with the AG's opinion within 30 days of the receipt thereof.

Designation of employee position responsible for meeting this deadline: The County Attorney will coordinate with Attorney General's office to obtain the legal opinion. The County Manager, along with support staff, will attempt to reach appropriate settlement with former Assessor upon receipt of opinion from Attorney General and take all necessary steps to achieve a final resolution.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
OTHER DISCLOSURES
YEAR ENDED JUNE 30, 2019**

A. PREPARATION OF FINANCIAL STATEMENTS

Presentation: The accompanying financial statements are the responsibility of the County and are based on information from the County's financial records. Assistance was provided by Hinkle + Landers, PC to the County in preparing the financial statements.

B. EXIT CONFERENCE

The contents of the report for Doña Ana County were discussed on December 2, 2019. The following individuals were in attendance.

Doña Ana County Officials

Lynn Ellins	Chair, Commissioner District 1
Eric L. Rodriguez	County Treasurer
Fernando R. Macias	County Manager
Vincent S. Pokluda	Assistant County Manager
Chuck McMahan	Assistant County Manager
Asma J. Dawood	Financial Services Director
Nasreen Nelson, CPA, CGMA	Controller of Doña Ana County
Raquel Quiroga	Accountant III
Mireya Hernandez	Accountant III

Hinkle + Landers, PC Auditors

Farley Vener, CPA, CFE, CGMA	President & Managing Shareholder
Katelyn Constantin	Senior Audit Manager