



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

DOÑA ANA COUNTY

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
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FOR THE YEAR ENDED JUNE 30, 2020**

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DOÑA ANA COUNTY
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**STATE OF NEW MEXICO
DOÑA ANA COUNTY
OFFICIAL ROSTER
AS OF JUNE 30, 2020**

County Officials

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

Administrative Officials

<u>Name</u>	<u>Title</u>
Fernando R. Macias	County Manager
Chuck McMahon	Assistant County Manager
Robert J. Thompson	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, 2020, 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, 2020, 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 correct 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 of the County's proportionate share of the net pension and OPEB liabilities and the County's contributions, as listed as "Required Supplementary 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 November 30, 2020 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.



Hinkle + Landers, P.C.
Albuquerque, NM
November 30, 2020

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Doña Ana County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended June 30, 2020. 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 2020 with \$342,035,788 in total assets; this is roughly a 5% increase in assets when compared to the \$326,812,903 in fiscal year 2019. Total liabilities for net position increased by roughly 4% or \$5,198,783 to \$146,438,072; while total net position increased by roughly 4% or \$7,655,105 to complete the fiscal year at \$209,058,753.
- Net Position for Governmental Activities increased 5% or \$8,545,187 to end the fiscal year at \$175,149,807; while Business-Type Activities decreased by 3% or \$890,082 for a fiscal year net position balance of \$33,908,946. Overall revenues increased by 7% to \$159,278,404 and expenditures increased by roughly 10% to \$155,303,228.
- The County's financial analysis of County Governmental Funds indicates a decrease in total assets of \$2,818,659 or 2% to \$131,412,869; total liabilities decreased by \$7,000,258 or 24%, while total fund balance increased by \$4,181,599.
- Total bonded debt at June 30, 2020 for the County was \$14,317,000.

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 2020. 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).

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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.

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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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.

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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Dona Ana County Condensed
Schedule of Net Position
As of June 30, 2020 and 2019

	2020	2019	2020	2019	2020	2019
	Governmental	Governmental	Business-	Business-	Total	Total
	Activities	Activities	Type	Type	Primary	Primary
			Activities	Activities	Government	Government
Assets:						
Current and other assets	\$ 129,285,993	115,215,554	1,942,410	1,800,841	131,228,403	117,016,395
Capital assets	175,510,611	173,108,901	35,296,783	36,687,607	210,807,394	209,796,508
Total assets	<u>304,796,604</u>	<u>288,324,455</u>	<u>37,239,193</u>	<u>38,488,448</u>	<u>342,035,797</u>	<u>326,812,903</u>
Deferred outflows of resources	20,209,556	23,853,668	-	-	20,209,556	23,853,668
Total assets and deferred outflows of resources	<u>\$ 325,006,160</u>	<u>312,178,123</u>	<u>37,239,193</u>	<u>38,488,448</u>	<u>362,245,353</u>	<u>350,666,571</u>
Liabilities:						
Current liabilities	\$ 16,872,593	16,534,787	605,894	756,217	17,478,487	17,291,004
Non-current liabilities	126,235,232	121,015,082	2,724,353	2,933,203	128,959,585	123,948,285
Total liabilities	<u>143,107,825</u>	<u>137,549,869</u>	<u>3,330,247</u>	<u>3,689,420</u>	<u>146,438,072</u>	<u>141,239,289</u>
Deferred inflows of resources	6,748,528	8,023,634	-	-	6,748,528	8,023,634
Net Position:						
Net investment in capital assets	155,017,450	155,608,508	32,344,403	33,540,883	187,361,853	189,149,391
Restricted	66,089,812	62,955,486	-	-	66,089,812	62,955,486
Unrestricted	(45,957,455)	(51,959,374)	1,564,543	1,258,145	(44,392,912)	(50,701,229)
Total net position	<u>175,149,807</u>	<u>166,604,620</u>	<u>33,908,946</u>	<u>34,799,028</u>	<u>209,058,753</u>	<u>201,403,648</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 325,006,160</u>	<u>312,178,123</u>	<u>37,239,193</u>	<u>38,488,448</u>	<u>362,245,353</u>	<u>350,666,571</u>

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 \$8,545,187 to \$175,149,807.

Business-Type Activities

Net position of business-type activities decreased by \$890,082 to \$33,908,946 at June 30, 2020. There were no significant changes to the types of services provided by the County's enterprise funds during fiscal year 2020.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Dona Ana County Condensed
Summary of Changes in Net Position
For the Years Ended June 30, 2020 and 2019

	2020	2019	2020	2019	2020	2019
	Governmental	Governmental	Business-	Business-	Total	Total
	Activities	Activities	Type	Type	Primary	Primary
			Activities	Activities	Government	Government
Revenues						
<u>Program Revenues</u>						
Changes for services	\$ 18,316,392	19,072,747	2,093,058	1,920,455	20,409,450	20,993,202
Operating grants and contributions	9,284,319	6,209,139	-	-	9,284,319	6,209,139
Capital grants and contributions	11,875,257	10,471,483	287,690	796,039	12,162,947	11,267,522
<u>General Revenue</u>						
Taxes, penalties and interest	111,561,114	100,804,490	-	-	111,561,114	100,804,490
Investment income	2,359,273	2,149,685	19,407	19,472	2,378,680	2,169,157
Other revenue	3,380,949	7,151,436	139,641	66,757	3,520,590	7,218,193
Gain(loss) on disposition of capital assets	(38,696)	(24,015)	-	(86,177)	(38,696)	(110,192)
Total Revenue	<u>156,738,608</u>	<u>145,834,965</u>	<u>2,539,796</u>	<u>2,716,546</u>	<u>159,278,404</u>	<u>148,551,511</u>
Expenses						
General governmental	46,238,658	43,848,014	-	-	46,238,658	43,848,014
Public safety	73,814,244	64,013,235	-	-	73,814,244	64,013,235
Public works	12,531,801	11,931,847	-	-	12,531,801	11,931,847
Health and welfare	17,770,148	16,228,565	-	-	17,770,148	16,228,565
Economic development	51,525	46,645	-	-	51,525	46,645
Bond interest	508,392	539,198	46,516	50,489	554,908	589,687
Fiscal agent's fees	11,096	728	-	-	11,096	728
Wastewater	-	-	3,927,399	3,495,867	3,927,399	3,495,867
Other utility services	-	-	403,449	399,380	403,449	399,380
Total Expenses	<u>150,925,864</u>	<u>136,608,232</u>	<u>4,377,364</u>	<u>3,945,736</u>	<u>155,303,228</u>	<u>140,553,968</u>
Increase in net position before transfers	5,812,744	9,226,733	(1,837,568)	(1,229,190)	3,975,176	7,997,543
Transfers	(947,486)	(556,535)	947,486	556,535	-	-
Change in net assets	4,865,258	8,670,198	(890,082)	(672,655)	3,975,176	7,997,543
Net Position-Beginning of year	166,604,620	165,294,280	34,799,028	35,471,683	201,403,648	200,765,963
Restatements of net position	3,679,929	(7,359,858)	-	-	3,679,929	(7,359,858)
Net Position-Beginning of year, restated	<u>170,284,549</u>	<u>157,934,422</u>	<u>34,799,028</u>	<u>35,471,683</u>	<u>205,083,577</u>	<u>193,406,105</u>
Net Position-End of year	<u>\$ 175,149,807</u>	<u>166,604,620</u>	<u>33,908,946</u>	<u>34,799,028</u>	<u>209,058,753</u>	<u>201,403,648</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020 and 2019

	2020	2019	2020	2019
	General Fund	General Fund	State Appropriations	State Appropriations
Assets				
Pooled cash and investment	\$ 55,349,014	62,272,431	663,197	699,552
Interest receivable	195,650	298,903	-	1,429
Taxes receivable, net allowance	8,661,774	8,182,498	-	-
Accounts receivable, net	7,251,917	6,049,785	-	-
Grants receivables	8,885	5,000	3,200,757	1,036,020
Due from other funds	2,252,718	341,702	-	-
Inventories and prepaids	7,265	8,285	-	-
Total assets	\$ 73,727,223	77,158,604	3,863,954	1,737,001
Liabilities and Fund Balance				
Liabilities				
A/P, accruals and other liabilities	\$ 4,027,192	17,075,790	3,710,937	1,598,034
Deferred inflows of resources	8,214,707	7,684,136	-	-
Total liabilities	12,241,899	24,759,926	3,710,937	1,598,034
Fund Balance				
Nonspendable	7,265	8,285	-	-
Restricted	24,262,213	22,517,038	153,017	138,967
Committed	3,770,877	2,660,158	-	-
Assigned	9,994,079	10,201,445	-	-
Unassigned	23,450,890	17,011,752	-	-
Total fund balances	61,485,324	52,398,678	153,017	138,967
Total liabilities, deferred inflows of resources, and fund balance	\$ 73,727,223	77,158,604	3,863,954	1,737,001

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Dona Ana County
Condensed Balance Sheet of Governmental Funds
As of June 30, 2020 and 2019

	2020 Debt Service Fund	2019 Debt Service Fund	2020 Nonmajor Governmental Funds	2019 Nonmajor Governmental Funds	2020 Total Governmental Funds	2019 Total Governmental Funds
Assets						
Pooled cash and investment	\$ 822,736	1,403,578	45,418,278	48,745,663	102,253,225	113,121,224
Interest receivable	120	829	10,847	84,498	206,617	385,659
Taxes receivable, net allowance	39,391	39,922	294,970	553,878	8,996,135	8,776,298
Accounts receivable, net	-	-	4,361,857	2,760,831	11,613,774	8,810,616
Grants receivables	-	-	2,873,493	1,746,724	6,083,135	2,787,744
Due from other funds	-	-	-	-	2,252,718	341,702
Inventories and prepaids	-	-	-	-	7,265	8,285
Total assets	\$ 862,247	1,444,329	52,959,445	53,891,594	131,412,869	134,231,528
Liabilities and Fund Balance						
Liabilities						
A/P, accruals and other liabilities	\$ -	-	5,699,208	2,071,449	13,437,337	20,745,273
Deferred inflows of resources	35,278	34,965	263,156	486,362	8,513,141	8,205,463
Total liabilities	35,278	34,965	5,962,364	2,557,811	21,950,478	28,950,736
Fund Balance						
Nonspendable	-	-	-	-	7,265	8,285
Restricted	822,856	1,404,407	40,851,726	48,797,651	66,089,812	72,858,063
Committed	4,113	4,957	6,469,533	2,395,077	10,244,523	5,060,192
Assigned	-	-	14,086	146,872	10,008,165	10,348,317
Unassigned	-	-	(338,264)	(5,817)	23,112,626	17,005,935
Total fund balances	826,969	1,409,364	46,997,081	51,333,783	109,462,391	105,280,792
Total liabilities, deferred inflows of resources, and fund balance	\$ 862,247	1,444,329	52,959,445	53,891,594	131,412,869	134,231,528

As of the end of fiscal year 2020, the County's governmental funds reported combined ending fund balances of \$109,462,391 an increase of \$4,181,599 in comparison with the prior year. The general fund ending fund balance at the end of fiscal year 2020 is reported at \$61,485,324, which is an increase of \$9,086,646.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Dona Ana County
Condensed Statement of Revenues, Expenditures, And Changes In Fund Balances
As of June 30, 2020 and 2019

	2020	2019	2020	2019
	General Fund	General Fund	State Appropriations	State Appropriations
Operating				
Total revenues	\$ 106,172,658	103,294,596	7,747,932	8,854,919
Total expenditures	(93,818,135)	(89,233,749)	(7,733,882)	(8,843,333)
Other Financing Sources				
Transfers in	43,211,017	47,837,354	-	-
Transfers out	(46,478,893)	(46,072,859)	-	(6,331,319)
Total other financing sources/(uses)	(3,267,876)	1,764,495	-	(6,331,319)
Net changes in fund balance	9,086,647	15,825,342	14,050	(6,319,733)
Fund balance-beginning of year	52,398,677	36,573,336	138,967	6,458,700
Fund balance-end of year	\$ 61,485,324	52,398,678	153,017	138,967

	2020 Debt Service Fund	2019 Debt Service Fund	2020 Nonmajor Governmental Funds	2019 Nonmajor Governmental Funds	2020 Total Governmental Funds	2019 Total Governmental Funds
Operating						
Total revenues	\$ 664,076	679,929	39,989,375	33,739,849	154,574,041	146,569,293
Total expenditures	(2,128,325)	(1,969,426)	(40,185,676)	(29,263,627)	(143,866,018)	(129,310,135)
Other Financing Sources						
Issuance of long-term debt	157,704	-	4,434,441	-	4,592,145	-
Transfers in	1,421,040	1,320,472	4,538,256	6,048,863	49,170,313	55,206,689
Transfers out	(696,890)	-	(3,210,521)	(4,266,971)	(50,386,304)	(56,671,149)
Total other financing sources/(uses)	881,854	1,320,472	5,762,176	1,781,892	3,376,154	(1,464,460)
Net changes in fund balance	(582,395)	30,975	5,565,875	6,258,114	14,084,177	15,794,698
Fund balance-beginning of year	1,409,364	1,378,389	41,431,206	45,075,669	95,378,214	89,486,094
Fund balance-end of year	\$ 826,969	1,409,364	46,997,081	51,333,783	109,462,391	105,280,792

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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 \$33,908,946.

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, 2020 and 2019

	2020 South Central Wastewater	2019 South Central Wastewater	2020 Non-Major Enterprise Funds	2019 Non-Major Enterprise Funds
Total operating revenues	\$ 1,570,731	1,410,057	661,968	577,155
Total operating expenditures	(2,374,738)	(2,112,268)	(1,956,110)	(1,782,979)
Net income from operations	(804,007)	(702,211)	(1,294,142)	(1,205,824)
Non-operating revenue (expenses)	280,784	(42,493)	(20,203)	721,338
Net income	(523,223)	(744,704)	(1,314,345)	(484,486)
Net transfers in/(out)	292,192	300,534	655,294	256,001
Change in net position	(231,031)	(444,170)	(659,051)	(228,485)
Net position-beginning of year	17,356,560	17,800,730	17,442,468	17,670,953
Net position-end of year	\$ 17,125,529	17,356,560	16,783,417	17,442,468
	2020 Total Enterprise Funds	2019 Total Enterprise Funds	2020 Internal Service Fund	2019 Internal Service Fund
Total operating revenues	\$ 2,232,699	1,987,212	1,652,202	1,804,152
Total operating expenditures	(4,330,848)	(3,895,247)	(2,857,605)	(2,856,779)
Net income from operations	(2,098,149)	(1,908,035)	(1,205,403)	(1,052,627)
Non-operating revenue (expenses)	260,581	678,845	199	-
Net income	(1,837,568)	(1,229,190)	(1,205,204)	(1,052,627)
Net transfers in/(out)	947,486	556,535	268,505	907,925
Change in net position	(890,082)	(672,655)	(936,699)	(144,702)
Net position-beginning of year	34,799,028	35,471,683	2,229,137	2,373,839
Net position-end of year	\$ 33,908,946	34,799,028	1,292,438	2,229,137

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

GENERAL FUND BUDGETARY ANALYSIS

- The General Fund revenue budget increased \$4,349,343 from \$98,619,107 to a final budget of \$102,968,450.
- The County's General Fund actual revenues at fiscal year-end totaled \$105,060,288 versus a budget of \$102,968,450 and were over budget by \$2,091,838.
- The General Fund expenditure budget increased approximately \$460,029 from \$100,580,256 to a final budget of \$101,040,285.
- The County's General Fund actual expenditures at fiscal year-end totaled \$93,092,692 versus a budget of \$101,040,285 and were under budget by \$7,947,593.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

- Capital asset projects completed this fiscal year include:
 - Organ Fire District Addition
 - Santa Teresa Hazmat Facility
 - Fire Administrative Building Parking Area
 - Detention Adult/Juvenile Jail Control/CCTV NVR Video Systems
- Road projects completed this fiscal year include:
 - Airport/Industrial Roads
 - Baylor Canyon/Dripping Springs Roads
 - Mustang Road
 - Roads Initiative (partial - various roads)
- Doña Ana County Business-Type project completed this fiscal year:
 - Chaparral Wastewater System Phase 1C-Golden Eagle Trail/Bald Eagle Court Area Extension

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Long-Term Debt

The County's outstanding long-term debt increased by \$5,996,823 or 5% during the fiscal year 2020. Notes payable increased by \$4,332,184 or 96%. Bonded debt decreased by \$1,506,000 or 10% during the fiscal year.

At the end of fiscal year 2020 the County had total long-term debt outstanding to various agencies of \$33,962,895.

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.

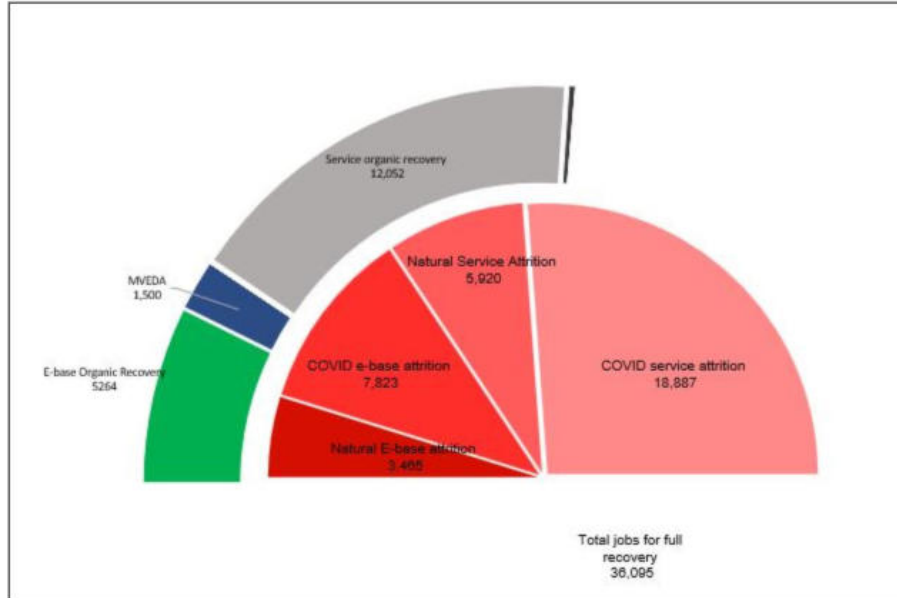
Dona Ana County
Condensed Schedule of Outstanding Debt
As of June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total Activity	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$ 6,187,456	5,288,070	126,424	116,592	6,313,880	5,404,662
General obligation bonds	5,340,000	5,620,000	-	-	5,340,000	5,620,000
Revenue bonds	8,670,000	9,525,000	307,000	313,000	8,977,000	9,838,000
Special assessment district bonds	-	365,000	-	-	-	365,000
Notes payable	6,192,513	1,671,985	2,645,380	2,833,724	8,837,893	4,505,709
Pollution remediation	632,500	7,359,858	-	-	632,500	7,359,858
Net Pension Liability	77,429,888	72,130,030	-	-	77,429,888	72,130,030
Net OPEB Liability	26,431,734	22,742,813	-	-	26,431,734	22,742,813
Total Outstanding Debt	\$ 130,884,091	124,702,756	3,078,804	3,263,316	133,962,895	127,966,072

Economic Outlook

The “Flash Assessment Predictive Modeling,” created by the CELABS in Albuquerque, New Mexico was conducted to estimate the job losses due to COVID-19 over the next five years in Doña Ana County. In total, 38,095 jobs are expected to be lost over the next five years, 29,022 (76%) of which are a direct result of COVID-19 impacts. Of that, it was predicted that 19,429 would return organically. Another 1,500 jobs would be created as a result of existing programmatic efforts by MVEDA. Together, the five-year predicted shortfall to make up for the COVID-19 related job losses would be 8,093 jobs. The County has applied for EDA CARES grant requests funding to address this gap. The funding will assist in evaluating and implementing economic development programs and theaters (job creators) that will assist Doña Ana County in its recovery from COVID-19 and return to pre-COVID-19 equivalent job numbers within a period of five years.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**



The County is expecting to lose 39,000 jobs over the next five years due to the pandemic. Estimated permanent job losses are 19,000 and 20,000 projected over time. The heaviest burdens are the food service, hospitality, health care and social assistance.

However, the County's recent gross receipt tax revenue from March showed surprisingly growth when compared to prior year. The County is currently working with MVEDA and Border Industrial alliance to grow the economy.

Furthermore, the interest rate on new Mortgages are at 12-year low. An average of 2.78 % versus 3.9% in prior years. Which caused buyers to buy and build. Subdivisions lots are selling fast throughout the City. During 2020 and average of 300 homes were available for inventory when in prior years normally there is an inventory of 3,000 homes. Therefore, we will expect to see an increase in Property Taxes.

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, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 30,391,500	867,088	31,258,588
Investments	71,867,604	626,247	72,493,851
Accounts receivables, net	11,617,127	354,881	11,972,008
Taxes receivables	8,996,135	-	8,996,135
Grants receivables	6,083,135	93,962	6,177,097
Interest receivables	206,617	232	206,849
Inventory and prepaid expenses	123,875	-	123,875
Total current assets	<u>129,285,993</u>	<u>1,942,410</u>	<u>131,228,403</u>
Non-current assets:			
Land and construction in progress	25,278,695	724,713	26,003,408
Other capital assets, net of accumulated depreciation	150,231,916	34,572,070	184,803,986
Total non-current assets	<u>175,510,611</u>	<u>35,296,783</u>	<u>210,807,394</u>
Total assets	<u>304,796,604</u>	<u>37,239,193</u>	<u>342,035,797</u>
Deferred outflows of resources			
Pension deferral	15,897,089	-	15,897,089
OPEB deferral	4,312,467	-	4,312,467
Total deferred outflows of resources	<u>20,209,556</u>	<u>-</u>	<u>20,209,556</u>
Total assets and deferred outflows of resources	<u>\$ 325,006,160</u>	<u>37,239,193</u>	<u>362,245,353</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 4,624,557	127,906	4,752,463
Accrued payroll liabilities	2,337,162	15,468	2,352,630
Accrued interest payable	101,824	18,370	120,194
Bonds and notes payable	1,345,199	275,436	1,620,635
Compensated absences	3,867,160	79,015	3,946,175
Unearned revenue	4,282,261	-	4,282,261
Bond premium, net	290,648	-	290,648
Other liabilities	23,782	89,699	113,481
Total current liabilities	<u>16,872,593</u>	<u>605,894</u>	<u>17,478,487</u>
Long-term liabilities:			
Compensated absences - long-term portion	2,320,296	47,409	2,367,705
Bonds and notes payable - long-term portion	18,857,314	2,676,944	21,534,258
Pollution remediation	632,500	-	632,500
Net pension liability	77,429,888	-	77,429,888
Net OPEB liability	26,431,734	-	26,431,734
Contingent liability	563,500	-	563,500
Total long-term liabilities	<u>126,235,232</u>	<u>2,724,353</u>	<u>128,959,585</u>
Total liabilities	<u>143,107,825</u>	<u>3,330,247</u>	<u>146,438,072</u>
Deferred inflows of resources			
Pension deferral	4,592,237	-	4,592,237
OPEB deferral	2,156,291	-	2,156,291
Total deferred inflows of resources	<u>6,748,528</u>	<u>-</u>	<u>6,748,528</u>
NET POSITION			
Net investment in capital assets	155,017,450	32,344,403	187,361,853
Restricted for:			
Other purposes	66,089,812	-	66,089,812
Unrestricted	(45,957,455)	1,564,543	(44,392,912)
Total net position	<u>175,149,807</u>	<u>33,908,946</u>	<u>209,058,753</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 325,006,160</u>	<u>37,239,193</u>	<u>362,245,353</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Program	Expenses	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental Activities:							
General government	\$ 46,238,658	17,530,354	16,745	-	(28,691,559)	-	(28,691,559)
Public safety	73,814,244	281,432	6,647,357	4,040,728	(62,844,727)	-	(62,844,727)
Public works	12,531,801	290,600	1,971	7,821,125	(4,418,105)	-	(4,418,105)
Health and welfare	17,770,148	214,006	2,575,591	13,404	(14,967,147)	-	(14,967,147)
Economic development	51,525	-	42,655	-	(8,870)	-	(8,870)
Debt service interest	508,392	-	-	-	(508,392)	-	(508,392)
Fiscal agent's fees	11,096	-	-	-	(11,096)	-	(11,096)
Total governmental activities	<u>150,925,864</u>	<u>18,316,392</u>	<u>9,284,319</u>	<u>11,875,257</u>	<u>(111,449,896)</u>	<u>-</u>	<u>(111,449,896)</u>
Business-Type Activities:							
Wastewater services	3,927,399	2,093,058	-	-	-	(1,834,341)	(1,834,341)
Other utility services	403,449	-	-	287,690	-	(115,759)	(115,759)
Debt service interest	<u>46,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,516)</u>	<u>(46,516)</u>
Total Business-type activities	<u>4,377,364</u>	<u>2,093,058</u>	<u>-</u>	<u>287,690</u>	<u>-</u>	<u>(1,996,616)</u>	<u>(1,996,616)</u>
Total primary government	<u>\$ 155,303,228</u>	<u>20,409,450</u>	<u>9,284,319</u>	<u>12,162,947</u>	<u>(111,449,896)</u>	<u>(1,996,616)</u>	<u>(113,446,512)</u>
General Revenues:							
Taxes:							
Property taxes				\$ 48,630,857	-		48,630,857
Gas tax				671,398	-		671,398
Gross receipts				56,006,328	-		56,006,328
Payment in lieu of tax				3,630,971	-		3,630,971
Penalties and interest				1,304,469	-		1,304,469
Other taxes				1,317,091	-		1,317,091
License and permits				452,097	-		452,097
Rent and royalties				505,483	-		505,483
Miscellaneous				2,423,369	139,641		2,563,010
Gain/(loss) on disposition of capital assets				(38,696)	-		(38,696)
Investment earnings				2,359,273	19,407		2,378,680
Operating transfers, net				(947,486)	947,486		-
Total general revenues and transfers				<u>116,315,154</u>	<u>1,106,534</u>		<u>117,421,688</u>
Change in net position				4,865,258	(890,082)		3,975,176
Net position, beginning				166,604,620	34,799,028		201,403,648
Restatements				3,679,929	-		3,679,929
Net position, beginning restated				<u>170,284,549</u>	<u>34,799,028</u>		<u>205,083,577</u>
Net position, ending				<u>\$ 175,149,807</u>	<u>33,908,946</u>		<u>209,058,753</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

	General Fund	23111 State Appropriations	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 12,609,386	663,197	499,445	16,613,593	30,385,621
Investments	42,739,628	-	323,291	28,804,685	71,867,604
Receivables					
Accounts receivables, net	7,251,917	-	-	4,361,857	11,613,774
Taxes receivable	8,661,774	-	39,391	294,970	8,996,135
Grants receivable	8,885	3,200,757	-	2,873,493	6,083,135
Interest receivable	195,650	-	120	10,847	206,617
Total receivables	16,118,226	3,200,757	39,511	7,541,167	26,899,661
Due from other funds	2,252,718	-	-	-	2,252,718
Prepaid expenses & inventories	7,265	-	-	-	7,265
Total assets	<u>\$ 73,727,223</u>	<u>3,863,954</u>	<u>862,247</u>	<u>52,959,445</u>	<u>131,412,869</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,118,491	387,535	-	3,049,786	4,555,812
Accrued payroll liabilities	2,202,235	-	-	120,529	2,322,764
Due to other funds	-	844,767	-	1,407,951	2,252,718
Unearned revenue	686,184	2,478,635	-	1,117,442	4,282,261
Other liabilities	20,282	-	-	3,500	23,782
Total liabilities	<u>4,027,192</u>	<u>3,710,937</u>	<u>-</u>	<u>5,699,208</u>	<u>13,437,337</u>
Deferred inflows of resources					
Property taxes	3,368,872	-	35,278	263,156	3,667,306
Derived tax revenues	4,845,835	-	-	-	4,845,835
Total deferred inflows of resources	<u>8,214,707</u>	<u>-</u>	<u>35,278</u>	<u>263,156</u>	<u>8,513,141</u>
FUND BALANCES					
Nonspendable	7,265	-	-	-	7,265
Restricted	24,262,213	153,017	822,856	40,851,726	66,089,812
Committed	3,770,877	-	4,113	6,469,533	10,244,523
Assigned	9,994,079	-	-	14,086	10,008,165
Unassigned	23,450,890	-	-	(338,264)	23,112,626
Total fund balance	<u>61,485,324</u>	<u>153,017</u>	<u>826,969</u>	<u>46,997,081</u>	<u>109,462,391</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 73,727,223</u>	<u>3,863,954</u>	<u>862,247</u>	<u>52,959,445</u>	<u>131,412,869</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
TO STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

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

Total fund balance - total governmental funds	\$ 109,462,391
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).	174,165,420
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:	1,292,438
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	(18,857,314)
Compensated absences (less Internal Service Funds)	(2,284,501)
Contingent liabilities	(563,500)
Pollution remediation	(632,500)
Bond underwriter premium, net of accumulated amortization	(290,648)
Net pension related deferrals and liability	(66,125,036)
Net OPEB related deferrals and liability	(24,275,558)
Other current liabilities (bonds payable) are not available to pay for current period expenditures and therefore are deferred in the funds:	
Accrued interest payable	(101,824)
Bonds payable	(1,345,199)
Compensated absences (less Internal Service Funds)	(3,807,503)
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	3,667,306
Derived tax revenue	4,845,835
Net position of governmental activities	\$ <u><u>175,149,807</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, 2020**

	General Fund	23111 State Appropriations	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$ 45,285,456	-	444,622	2,649,205	48,379,283
Gas tax	671,398	-	-	-	671,398
Gross receipts	34,380,791	-	-	21,326,250	55,707,041
Payment in lieu of tax	3,416,516	-	214,455	-	3,630,971
Penalties and interest	1,304,469	-	-	-	1,304,469
Other taxes	-	-	-	1,317,091	1,317,091
Licenses and permits	452,097	-	-	-	452,097
Intergovernmental					
State operating grants	10,945	2,370,980	-	4,439,256	6,821,181
State capital grants	749,789	5,365,395	-	1,236,371	7,351,555
Federal operating grants	130,456	-	-	2,332,682	2,463,138
Federal capital grants	-	-	-	4,523,702	4,523,702
Charges for services	15,937,554	-	-	744,835	16,682,389
Contributions/donations	-	-	-	3,288	3,288
Investment earnings	1,712,130	11,557	4,999	630,384	2,359,070
Rents and royalties	174,733	-	-	315,409	490,142
Other revenue	1,946,324	-	-	470,902	2,417,226
Total revenues	<u>106,172,658</u>	<u>7,747,932</u>	<u>664,076</u>	<u>39,989,375</u>	<u>154,574,041</u>
EXPENDITURES					
Current:					
General government	34,306,133	-	-	6,287,699	40,593,832
Public safety	48,078,768	2,439,026	-	3,087,071	53,604,865
Public works	7,628,827	-	-	2,392,753	10,021,580
Health and welfare	107,728	-	-	13,933,638	14,041,366
Economic development	-	-	-	43,910	43,910
Debt service:					
Principal payments	-	-	1,571,617	-	1,571,617
Interest payments	-	-	545,612	-	545,612
Fiscal agent's fees	-	-	11,096	-	11,096
Bond issuance costs	-	-	-	34,441	34,441
Capital outlay:					
Capital outlay	3,696,679	5,294,856	-	14,406,164	23,397,699
Total expenditures	<u>\$ 93,818,135</u>	<u>7,733,882</u>	<u>2,128,325</u>	<u>40,185,676</u>	<u>143,866,018</u>
Excess (deficiency) of revenues over expenditures	\$ 12,354,523	14,050	(1,464,249)	(196,301)	10,708,023
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of long-term capital-related debt	-	-	157,704	4,434,441	4,592,145
Transfers in	43,211,017	-	1,421,040	4,538,256	49,170,313
Transfers out	(46,478,893)	-	(696,890)	(3,210,521)	(50,386,304)
Total other financing sources (uses)	<u>(3,267,876)</u>	<u>-</u>	<u>881,854</u>	<u>5,762,176</u>	<u>3,376,154</u>
Net change in fund balance	9,086,647	14,050	(582,395)	5,565,875	14,084,177
Fund balances-beginning of year	52,398,677	138,967	1,409,364	41,431,206	95,378,214
Fund balances-end of the year	<u>\$ 61,485,324</u>	<u>153,017</u>	<u>826,969</u>	<u>46,997,081</u>	<u>109,462,391</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, 2020**

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

Net change in fund balance - total governmental funds	\$	14,084,177
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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.

Capital expenditures recorded in capital outlay		23,397,699
Capital expenditures recorded in other expense lines		113,571

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.		(38,696)
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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.		(20,606,839)
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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.		(936,699)
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The issuance of long-term debt (e.g. bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.

Amortization of bond premiums		27,762
Change in accrued interest		9,459
Change in noncurrent and current compensated absences		(891,648)
Issuance of long-term debt		(4,592,145)
Principal payments on long-term debt payable		1,571,617

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.

Pension expense		(9,804,832)
OPEB expense		(1,552,953)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Change in deferred inflows related to property taxes		251,573
Change in deferred inflows related to derived tax revenue		299,286
Change in contingent liability		486,500
Change in pollution remediation		3,047,429

Rounding		(3)
Change in net position of governmental activities	\$	4,865,258

**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, 2020**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	\$ 75,164,672	79,013,945	81,113,860	2,099,915
Payment in lieu of tax	3,140,000	3,140,000	3,416,516	276,516
Licenses and permits	430,100	430,100	452,097	21,997
Intergovernmental revenue and grants	636,776	818,581	131,614	(686,967)
Charges for services	17,209,855	17,288,774	16,540,029	(748,745)
Investment earnings	491,992	491,992	1,788,988	1,296,996
Rent and royalties	168,000	168,000	174,733	6,733
Other revenue	1,377,712	1,617,058	1,442,451	(174,607)
Total revenues	<u>98,619,107</u>	<u>102,968,450</u>	<u>105,060,288</u>	<u>2,091,838</u>
EXPENDITURES				
Current:				
General government	36,973,011	36,725,088	34,191,378	2,533,710
Public safety	51,955,423	52,084,264	48,441,067	3,643,197
Public works	9,125,937	8,810,256	7,927,408	882,848
Health and welfare	120,000	120,000	109,428	10,572
Capital outlay	2,405,885	3,300,677	2,423,411	877,266
Total expenditures	<u>100,580,256</u>	<u>101,040,285</u>	<u>93,092,692</u>	<u>7,947,593</u>
Excess (deficiency) of revenues over (under) expenditures	(1,961,149)	1,928,165	11,967,596	10,039,431
OTHER FINANCING SOURCES (USES)				
Transfers in	40,445,997	41,957,025	41,957,025	-
Transfers out	(45,092,927)	(46,478,893)	(46,478,893)	-
Total other financing sources (uses)	<u>(4,646,930)</u>	<u>(4,521,868)</u>	<u>(4,521,868)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(6,608,079)	(2,593,703)	<u>7,445,728</u>	<u>10,039,431</u>
Budgeted cash carryover	<u>6,608,079</u>	<u>2,593,703</u>		
Total	\$ <u>-</u>	<u>-</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 7,445,728	
To adjust applicable revenue accruals and deferrals			1,112,368	
To adjust applicable expenditure accruals			(725,442)	
Transfer in of capital asset			<u>1,253,993</u>	
Change in fund balance (GAAP basis)			<u>\$ 9,086,647</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, 2020**

	Original Approved Budget	Final Approved Budget	Actual	Favorable (Unfavorable)
REVENUES				
Intergovernmental revenue and grants	\$ 16,251,002	19,851,502	7,558,096	(12,293,406)
Investment earnings	-	-	12,986	12,986
Total revenues	<u>16,251,002</u>	<u>19,851,502</u>	<u>7,571,082</u>	<u>(12,280,420)</u>
EXPENDITURES				
Current:				
Public safety	3,920,021	6,947,955	2,327,808	4,620,147
Capital outlay	<u>13,007,662</u>	<u>13,580,228</u>	<u>5,295,258</u>	<u>8,284,970</u>
Total expenditures	<u>16,927,683</u>	<u>20,528,183</u>	<u>7,623,066</u>	<u>12,905,117</u>
Excess (deficiency) of revenues over (under) expenditures	(676,681)	(676,681)	(51,984)	624,697
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(676,681)	(676,681)	<u>(51,984)</u>	<u>624,697</u>
Budgeted cash carryover	<u>676,681</u>	<u>676,681</u>		
Total	\$ <u>-</u>	<u>-</u>		
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ (51,984)	
To adjust applicable revenue accruals and deferrals			176,850	
To adjust applicable expenditure accruals			<u>(110,816)</u>	
Change in fund balance (GAAP basis)			\$ <u>14,050</u>	

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
PROPRIETARY FUNDS
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2020**

	Business-Type Activities			Governmental Activities
	50044 South Central Wastewater	Total Non-Major Enterprise Funds	Total Enterprise Funds	60020 Internal Service Fund Fleet
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 313,563	553,525	867,088	5,879
Investments	210,902	415,345	626,247	-
Receivables				
Accounts receivables, net	294,236	60,645	354,881	3,353
Grants receivables	93,962	-	93,962	-
Interest receivable	78	154	232	-
Total receivables	388,276	60,799	449,075	3,353
Prepaid expenses & inventories	-	-	-	116,610
Total current assets	912,741	1,029,669	1,942,410	125,842
Non-current assets:				
Capital assets, net	18,257,208	17,039,575	35,296,783	1,345,191
Total non-current assets	18,257,208	17,039,575	35,296,783	1,345,191
Total assets	\$ 19,169,949	18,069,244	37,239,193	1,471,033
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 103,486	24,420	127,906	68,745
Accrued interest payable	7,577	10,793	18,370	-
Accrued payroll liabilities	8,911	6,557	15,468	14,398
Compensated absences	42,139	36,876	79,015	59,657
Bonds and notes payable	187,044	88,392	275,436	-
Other liabilities	62,807	26,892	89,699	-
Total current liabilities	411,964	193,930	605,894	142,800
Non-current liabilities:				
Bonds and notes payable	1,607,173	1,069,771	2,676,944	-
Compensated absences	25,283	22,126	47,409	35,795
Total non-current liabilities	1,632,456	1,091,897	2,724,353	35,795
Total liabilities	2,044,420	1,285,827	3,330,247	178,595
NET POSITION				
Net investment in capital assets	16,462,991	15,881,412	32,344,403	1,345,191
Unrestricted	662,538	902,005	1,564,543	(52,753)
Total net position	17,125,529	16,783,417	33,908,946	1,292,438
Total liabilities and net position	\$ 19,169,949	18,069,244	37,239,193	1,471,033

**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, 2020**

	Business-Type Activities			Governmental Activities
	50044 South Central Wastewater	Total Non-Major Enterprise Funds	Total Enterprise Funds	60020 Internal Service Fund Fleet
OPERATING REVENUES				
Charges for services	\$ 62,273	57,084	119,357	1,634,003
Charges for sewerage service	1,412,989	560,712	1,973,701	-
Other revenue	95,469	44,172	139,641	18,199
Total operating revenues	<u>1,570,731</u>	<u>661,968</u>	<u>2,232,699</u>	<u>1,652,202</u>
OPERATING EXPENSES				
Personnel services - salaries and wages	301,963	201,288	503,251	463,846
Personnel services - employee benefits	153,889	107,935	261,824	255,364
Professional and technical services	70,362	30,260	100,622	18,875
Utilities	138,927	66,992	205,919	15,326
Other operating expenses	887,851	442,942	1,330,793	1,640,167
Depreciation	821,746	1,106,693	1,928,439	464,027
Total operating expenses	<u>2,374,738</u>	<u>1,956,110</u>	<u>4,330,848</u>	<u>2,857,605</u>
Operating income (loss)	(804,007)	(1,294,142)	(2,098,149)	(1,205,403)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental				
State capital grants	218,251	18,056	236,307	-
Federal capital grants	51,383	-	51,383	-
Investment earnings	11,150	8,257	19,407	199
Interest expense	-	(46,516)	(46,516)	-
Total non-operating revenues (expenses)	<u>280,784</u>	<u>(20,203)</u>	<u>260,581</u>	<u>199</u>
Income (loss) before transfers	(523,223)	(1,314,345)	(1,837,568)	(1,205,204)
Transfers in	401,984	783,437	1,185,421	2,200,000
Capital transfer in	77,502	-	77,502	-
Capital transfer out	-	-	-	(1,331,495)
Transfers out	(187,294)	(128,143)	(315,437)	(600,000)
Total transfers in (out)	<u>292,192</u>	<u>655,294</u>	<u>947,486</u>	<u>268,505</u>
Change in net position	(231,031)	(659,051)	(890,082)	(936,699)
Beginning net position	17,356,560	17,442,468	34,799,028	2,229,137
Net position-end of the year	<u>\$ 17,125,529</u>	<u>16,783,417</u>	<u>33,908,946</u>	<u>1,292,438</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities			Governmental Activities
	50044 South Central Wastewater	Total Non-Major Enterprise Funds	Total Enterprise Funds	60020 Internal Service Fund Fleet
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 1,116,688	1,021,996	2,138,684	1,636,890
Payments to employees	(451,300)	(303,942)	(755,242)	(711,472)
Payments to suppliers	(831,557)	(764,761)	(1,596,318)	(1,693,961)
Other receipts/(payments)	95,469	44,172	139,641	18,199
<i>Net cash provided (used) by operating activities</i>	<u>(70,700)</u>	<u>(2,535)</u>	<u>(73,235)</u>	<u>(750,344)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	401,984	783,437	1,185,421	2,200,000
Transfers to other funds	<u>(187,294)</u>	<u>(128,143)</u>	<u>(315,437)</u>	<u>(600,000)</u>
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>214,690</u>	<u>655,294</u>	<u>869,984</u>	<u>1,600,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	(488,764)	(48,851)	(537,615)	-
Proceeds from issuance of debt	1,241	48,221	49,462	-
Principal payments	(153,830)	(89,976)	(243,806)	-
Interest payments	-	(46,516)	(46,516)	-
Intergovernmental capital grants	269,634	18,056	287,690	-
Capital transfer in	77,502	-	77,502	-
Capital transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,331,495)</u>
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>(294,217)</u>	<u>(119,066)</u>	<u>(413,283)</u>	<u>(1,331,495)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	-	(5,901)	(5,901)	-
Purchase of investments	452,540	(86,631)	365,909	-
Interest and dividends	<u>11,150</u>	<u>8,257</u>	<u>19,407</u>	<u>199</u>
<i>Net cash provided by (used for) investing activities</i>	<u>463,690</u>	<u>(84,275)</u>	<u>379,415</u>	<u>199</u>
Net increase/(decrease) in cash and cash equivalents	313,463	449,418	762,881	(481,640)
Balances - beginning of year	100	104,107	104,207	487,519
Balances - end of year	<u>\$ 313,563</u>	<u>553,525</u>	<u>867,088</u>	<u>5,879</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities			Governmental Activities
	50044 South Central Wastewater	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)	\$ (804,007)	(1,294,142)	(2,098,149)	(1,205,403)
Adjustments:				
Depreciation expense	821,746	1,106,693	1,928,439	464,027
Bad debt expense	154,287	61,390	215,677	-
Change in assets and liabilities:				
Receivables	(358,574)	404,200	45,626	2,887
Inventories and prepaid expenses	-	-	-	(13,887)
Accounts payable	100,216	(289,876)	(189,660)	(9,280)
Accrued expenses and other liabilities	11,080	3,919	14,999	3,574
Compensated absences	4,552	5,281	9,833	7,738
Net cash provided by (used for) operating activities	\$ <u>(70,700)</u>	<u>(2,535)</u>	<u>(73,235)</u>	<u>(750,344)</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF JUNE 30, 2020**

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 1,366,187
Taxes receivable, net of allowance	7,344,618
Total assets	<u>\$ 8,710,805</u>
LIABILITIES	
Accounts payable	\$ 904
Taxes paid in advance	336,471
Taxes in suspense	2,269,442
Due to others	825,927
Future collectible tax	5,278,061
Total liabilities	<u>\$ 8,710,805</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – ENTITY AND 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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, there were no component units identified as needing to be disclosed or presented as part of the reporting entity.

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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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.

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

Governmental funds

- Special Revenue Fund – *State Appropriations (23111)* accounts for various appropriations from the State Legislature for various projects.
- 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 – *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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 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.

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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.

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:

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

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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.

The County has the following deferred outflows of resources during fiscal year 2020 on the government wide financials:

Deferred Outflows of Resources - Government-Wide	
Pension deferrals	\$ 15,897,089
OPEB deferrals	4,312,467
Total deferred outflows of resources	<u>\$ 20,209,556</u>

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 2020 on the fund financials:

Deferred Inflows of Resources - Fund Financials	
Property tax revenue	\$ 3,667,306
Derived tax revenues	4,845,835
Total deferred inflows of resources	<u>\$ 8,513,141</u>

The County has the following deferred inflows of resources during fiscal year 2020 on the government wide financials:

Deferred Inflows of Resources - Government-Wide	
Pension deferrals	\$ 4,592,237
OPEB deferrals	2,156,291
Total deferred inflows of resources	<u>\$ 6,748,528</u>

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

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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.

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

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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 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 2020 fund balance for FY2020 projected budgetary deficit per GASB 54, Par 16. FY2020 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.

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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.

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, 2020 is presented. Reconciliations between the Non-

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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.

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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, 2020:

<u>Cash and investments</u>	<u>Amount</u>
Cash and cash equivalents	
Cash on hand	\$ 8,912
Cash	28,053,241
Debt service reserve - held in trust	4,562,622
Subtotal cash and cash equivalents	<u>32,624,775</u>
Investments	
Money markets and savings	17,263,586
Certificates of deposit	37,287,548
County bond	4,815,000
Municipal bond	798,007
US treasury notes and bonds	2,789,819
US agency securities	9,539,891
Subtotal investments	<u>72,493,851</u>
Total cash and investments	\$ <u>105,118,626</u>
 <u>Fund Type</u>	 <u>Amount</u>
Cash and equivalents	
Governmental funds	\$ 30,385,621
Internal service fund	5,879
Total governmental activities	<u>30,391,500</u>
Business-type activities	867,088
Fiduciary funds	1,366,187
Subtotal cash and cash equivalents	<u>32,624,775</u>
Investments	
Governmental funds	<u>71,867,604</u>
Total governmental activities	71,867,604
Business-type activities	626,247
Subtotal investments	<u>72,493,851</u>
Total cash and investments	\$ <u>105,118,626</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

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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.

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, 2020 is as follows:

Investment Type	2020	Rating*	Weighted Average Maturity (Years)	Fair Value**
CD's	\$ 37,287,548	***	< 5	N/A
Money Market and Savings	17,263,586	***	N/A	N/A
US Treasury Notes and Bonds	2,789,819	Not Rated	< 8	1
County Bond	4,815,000	Not Rated	< 14	2
Municipal Bond	798,007	Aaa	< 8	2
Federal Farm Credit	6,101,459	Aaa	< 5	2
Federal Home Loan Bank	1,461,778	Aaa	< 5	2
Federal National Mortgage	40,004	Aaa	< 4	2
Fannie Mae/Freddie Mac	1,936,650	Aaa	< 5	2
	<u>\$ 72,493,851</u>			

*Based on Moody's rating

**Fair Market Measurements Using:

Quoted Prices in Active Markets for Identical Assets (Level 1)

Significant Other Observable Inputs (Level 2)

***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, 2020, the County's bank and investment balances of \$70,895,492 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.	\$ 46,429,735
Uninsured and uncollateralized	-
Total uninsured deposits	<u>\$ 46,429,735</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.

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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.

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.

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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)

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, 2020.

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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	State Appropriations	Debt Service	Nonmajor Funds	Internal Service Fund	Total Receivables
Accounts	\$ 7,638,888	-	-	4,382,465	3,353	12,024,706
Taxes	8,661,774	-	39,765	294,970	-	8,996,509
Grants	8,885	3,200,757	-	2,873,493	-	6,083,135
Interest	195,650	-	120	10,847	-	206,617
Subtotal	16,505,197	3,200,757	39,885	7,561,775	3,353	27,310,967
Less: Allowance for uncollectibles	(386,971)	-	(374)	(20,608)	-	(407,953)
Net Receivables	\$ 16,118,226	3,200,757	39,511	7,541,167	3,353	26,903,014

BUSINESS-TYPE ACTIVITIES

	South Central Wastewater	Non-Major Enterprise Funds	Total Receivables
Accounts	\$ 805,498	343,112	1,148,610
Grants	93,962	-	93,962
Interest	78	154	232
Subtotal	899,538	343,266	1,242,804
Less: Allowance for uncollectibles	(511,262)	(282,467)	(793,729)
Net Receivables	\$ 388,276	60,799	449,075

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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 2020, the County charged the following mil rates:

<u>Tax District</u>	<u>Residential</u>	<u>Non-residential</u>
02 (Las Cruces-In)	0.031421	0.034554
03 (Las Cruces-Out)	0.023890	0.026693
04 Mesilla	0.024906	0.029033
11 (Hatch-In)	0.032111	0.034914
12 (Hatch-Out)	0.026651	0.029414
16 (Sunland Park-In)	0.037138	0.041007
17 Unincorporated (Anthony/Chaparral)	0.030544	0.033357
18 Incorporated (Anthony)	0.032639	0.035452

The County's share of the property taxes equal approximately 35.71% 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, 2020 follows. Land and construction in progress are not subject to depreciation.

GOVERNMENTAL ACTIVITIES <i>includes Internal Service Funds</i>	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Non-depreciable capital assets:					
Land	\$ 8,402,549	312,852	-	-	8,715,401
Construction in progress	17,117,095	18,582,152	-	(19,135,950)	16,563,297
Total non-depreciable capital assets	25,519,644	18,895,004	-	(19,135,950)	25,278,698
Capital assets being depreciated:					
Land improvements	7,910,753	90,858	-	783,924	8,785,535
Buildings and improvements	108,464,384	1,079,387	-	1,665,360	111,209,131
Furniture, fixtures, & equipment	31,614,090	2,034,370	(188,357)	1,367,432	34,827,535
Vehicles	37,662,229	1,411,652	(952,756)	-	38,121,125
Infrastructure	313,688,639	-	-	15,319,234	329,007,873
Total capital assets being depreciated	499,340,095	4,616,267	(1,141,113)	19,135,950	521,951,199
Less accumulated depreciation for:					
Land improvements	(6,872,446)	(206,817)	-	-	(7,079,263)
Buildings and improvements	(62,512,609)	(4,730,702)	-	-	(67,243,311)
Furniture, fixtures, & equipment	(22,590,447)	(2,677,202)	187,013	-	(25,080,636)
Vehicles	(24,551,426)	(3,083,653)	915,404	-	(26,719,675)
Infrastructure	(235,223,910)	(10,372,491)	-	-	(245,596,401)
Total accumulated depreciation	(351,750,838)	(21,070,865)	1,102,417	-	(371,719,286)
Total capital assets being depreciated	147,589,257	(16,454,598)	(38,696)	19,135,950	150,231,913
Total capital assets, net of depreciation	\$ 173,108,901	2,440,406	(38,696)	-	175,510,611

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BUSINESS-TYPE ACTIVITIES	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Non-depreciable capital assets:					
Land	\$ 279,095	-	-	-	279,095
Construction in progress	964,620	428,561	-	(947,563)	445,618
Total non-depreciable capital assets	1,243,715	428,561	-	(947,563)	724,713
Capital assets being depreciated:					
Land improvements	25,578	-	-	-	25,578
Buildings and improvements	135,204	-	-	-	135,204
Furniture, fixtures, & equipment	869,383	31,552	-	-	900,935
Vehicles	761,287	77,502	(66,254)	-	772,535
Infrastructure	56,413,997	-	-	947,563	57,361,560
Total capital assets being depreciated	58,205,449	109,054	(66,254)	947,563	59,195,812
Less accumulated depreciation for:					
Land improvements	(2,551)	(2,565)	-	-	(5,116)
Buildings and improvements	(84,267)	(12,769)	-	-	(97,036)
Furniture, fixtures, & equipment	(863,119)	(5,997)	-	-	(869,116)
Vehicles	(564,945)	(43,725)	66,254	-	(542,416)
Infrastructure	(21,246,675)	(1,863,383)	-	-	(23,110,058)
Total accumulated depreciation	(22,761,557)	(1,928,439)	66,254	-	(24,623,742)
Total capital assets being depreciated	35,443,892	(1,819,385)	-	947,563	34,572,070
Total capital assets, net of depreciation	\$ 36,687,607	(1,390,824)	-	-	35,296,783

Depreciation expense for the year ended June 30, 2020 was charged to the following functions and funds:

Governmental activities:	
General government	\$ 6,351,917
Public safety	10,100,775
Public works	1,714,822
Health and welfare	2,431,710
Economic development	7,614
Total	20,606,838
Internal service fund	464,027
Total governmental activities	\$ 21,070,865
Business type activities	\$ 1,928,439

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NOTE 7 – LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Increases	Decreases	Restatement	Balance June 30, 2020	Amount due within one year
GOVERNMENTAL ACTIVITIES						
<i>includes Internal Service Funds</i>						
Compensated absences	\$ 5,288,070	4,936,139	(4,036,753)	-	6,187,456	3,867,160
General obligation bonds	5,620,000	-	(280,000)	-	5,340,000	290,000
Revenue bonds	9,525,000	-	(855,000)	-	8,670,000	880,000
Special assessment district bonds	365,000	-	(365,000)	-	-	-
Notes payable	1,671,985	4,592,145	(71,617)	-	6,192,513	175,199
Pollution remediation	7,359,858	-	(3,047,429)	(3,679,929)	632,500	-
Net pension liability	72,130,030	9,314,587	(4,014,729)	-	77,429,888	-
Net OPEB liability	22,742,813	3,688,921	-	-	26,431,734	-
Total governmental activities	<u>\$ 124,702,756</u>	<u>22,531,792</u>	<u>(12,670,528)</u>	<u>(3,679,929)</u>	<u>130,884,091</u>	<u>5,212,359</u>
BUSINESS-TYPE ACTIVITIES						
Compensated absences	\$ 116,592	61,387	(51,555)	-	126,424	79,015
Revenue bonds	313,000	-	(6,000)	-	307,000	6,000
Notes payable	2,833,724	49,462	(237,806)	-	2,645,380	269,436
Total business-type activities	<u>\$ 3,263,316</u>	<u>110,849</u>	<u>(295,361)</u>	<u>-</u>	<u>3,078,804</u>	<u>354,451</u>
Total County	<u>\$ 127,966,072</u>	<u>22,642,641</u>	<u>(12,965,889)</u>	<u>(3,679,929)</u>	<u>133,962,895</u>	<u>5,566,810</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 2020.

The annual principal and interest requirements on long-term debt outstanding as of June 30, 2020 are as follows:

Governmental Activities:

General Obligation Bonds

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

Description	Date	Due	Original Issue	Outstanding	Rates
General Obligation Bond, Series 2013	10/22/2013	9/1/2033	\$ 6,800,000	5,340,000	2.13%
			<u>\$ 6,800,000</u>	<u>5,340,000</u>	

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

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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, 2020 totaled \$457,550.

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

	Principal	Interest	Total
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	340,000	138,725	478,725
2026-2030	1,925,000	476,813	2,401,813
2031-2035	1,845,000	151,300	1,996,300
2036-2040	-	-	-
Total \$	<u>5,340,000</u>	<u>1,410,101</u>	<u>6,750,101</u>

Revenue Bonds

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

Description	Date	Due	Original Issue	Outstanding	Rates
Gross Receipts Tax Refunding Bonds, Series 2012	5/1/2013	5/1/2028	\$ 4,870,000	2,780,000	2.0% to 4.0%
Subordinate Lien Gross Receipts Tax Refunding Bonds, Series 2014	12/1/2014	6/1/2029	8,870,000	5,890,000	2.0% to 5.0%
			<u>\$ 13,740,000</u>	<u>8,670,000</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

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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, 2020 totaled \$404,675.

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 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.

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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, 2020 totaled \$758,650.

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

	Principal	Interest	Total
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	1,005,000	159,825	1,164,825
2026-2030	3,975,000	267,219	4,242,219
2031-2035	-	-	-
Total	\$ 8,670,000	1,394,371	10,064,371

Special Assessment District Bonds

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

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

Santa Teresa District Bonds, Series 2001

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

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 – Bonds are payable solely from pledged revenues consisting of special assessment fees. Pledged revenues for the fiscal year ended June 30, 2020 totaled \$380,284.

The debt was paid off in fiscal year 2020. Therefore, no future payments are required or presented.

Notes Payable

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

Description	Date	Due	Original Issue	Outstanding	Rates
NMFA - DW-3648 Cleanup of Griggs Walnut Superfund Site	5/1/2013	6/1/2032	\$ 1,478,798	979,744	2.00%
NMFA - Arsenic Treatment Facility	7/22/2011	6/1/2031	1,024,160	620,624	0.25%
NMFA - Energy Efficiency and Renewable Energy	2/21/2020	5/1/2041	4,592,145	4,592,145	1.79% to 3.13%
			<u>\$ 7,095,103</u>	<u>6,192,513</u>	

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, 2020 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

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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, 2020 totaled \$52,563.

NMFA – Energy Efficiency and Renewable Energy

On February 21, 2020, the County entered into a loan agreement with the NM Finance Authority for the costs of purchasing and installing energy upgrades/improvements at the Doña Ana County Detention Center including the main detention and juvenile building pursuant to an energy savings performance contract, and paying costs of issuance. The terms of the agreement call for a loan from the NMFA for \$4,592,145. The blended interest rate is 2.742107% with a maturity date of May 1, 2041. 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. County gross receipts taxes are imposed on all persons engaging in business in the County. Pledged revenues for the fiscal year ended June 30, 2020 totaled \$23,575.

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 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

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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
2021	\$ 175,199	143,813	319,012
2022	236,529	140,673	377,202
2023	246,924	137,072	383,996
2024	257,787	133,200	390,987
2025	269,147	129,036	398,183
2026-2030	1,537,215	569,226	2,106,441
2031-2035	1,430,142	402,334	1,832,476
2036-2040	1,646,043	196,047	1,842,090
2041-2045	393,527	7,871	401,398
Total	\$ 6,192,513	1,859,272	8,051,785

Business-type Activities:

Revenue Bonds

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

Description	Date	Due	Original Issue	Outstanding	Rates
Dona Ana County, NM Wastewater System Improvement Revenue Bonds, Series 2013	9/19/2013	9/19/2053	\$ 343,000 \$ 343,000	307,000 307,000	2.13%

New Mexico Wastewater System Improvement Revenue Bonds, Series 2013

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, 2020 totaled \$12,650.

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

	Principal	Interest	Total
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	7,000	5,970	12,970
2026-2030	36,000	27,600	63,600
2031-2035	40,000	23,550	63,550
2036-2040	45,000	19,100	64,100
2041-2045	50,000	14,110	64,110
2046-2050	56,000	8,580	64,580
2051-2055	47,000	2,440	49,440
	<u>\$ 307,000</u>	<u>126,640</u>	<u>433,640</u>

Notes Payable

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

Description	Date	Due	Original Issue	Outstanding	Rates
NMED - Sanitary Sewer System	6/30/2003	2/5/2029	\$ 4,740,014	2,366,099	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	71,801	0.00%
NMFA - Colonias Infrastructure 4909	10/4/2019	6/1/2041	67,500	1,241	0.00%
			<u>\$ 5,168,110</u>	<u>2,645,380</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.

The following details the default consequences, termination event consequences, or subjective acceleration clauses specified in this NMED debt agreement. Late charges may be assessed at the discretion of NMED.

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Upon occurrence of an event of default:

1. The entire unpaid principal amount of the Final Loan Agreement and Final Promissory Note and accrued interest thereon may be declared by NMED to be immediately due and payable and the Borrower shall pay the amounts due under these Notes from the Net Revenues, either immediately or in the manner required by NMED in its declaration, but only to the extent funds are available for payment.
2. NMED shall have no further obligation to make payments to the Borrower and may pursue remedies provided by the Ordinance.

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, 2020 totaled \$289,884.

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.

Pledged Revenues – The note is payable from the revenues derived from net utility revenues. Pledged revenues for the fiscal year ended June 30, 2020 totaled \$0.

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, 2020 totaled \$0.

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, 2020 totaled \$0.

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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 an additional \$48,221 of principal in 2020. 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. County gross receipts taxes are imposed on all persons engaging in business in the County. Pledged revenues for the fiscal year ended June 30, 2020 totaled \$0, as no payments were due in 2020.

NMFA – Colonias Infrastructure Improvements 4909-CIF

On October 4, 2019, the County entered into a loan/grant agreement with the NM Finance Authority for the Colonias Infrastructure Project. The Project is infrastructure development in accordance with the Act consisting of improvements to a wastewater system, but does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies and is more specifically described as design of system upgrades and improvements to the South Central Wastewater Treatment Plant, and shall include such other related work and revisions necessary to complete the Project. The terms of the agreement call for a grant from the NMFA for \$607,500 along with a loan totaling \$67,500. The interest/administrative fee on the note is 0% with a maturity date of June 1, 2041. The County drew down \$1,241 of principal in 2020. 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. County gross receipts taxes are imposed on all persons engaging in business in the County. Pledged revenues for the fiscal year ended June 30, 2020 totaled \$0, as no payments were due in 2020.

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;

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- d) Demand that the Borrower/Grantee immediately repay the Loan/Grant Amount or any 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 business-type notes payable are as follows:

	Principal	Interest	Total
2021	\$ 269,436	47,322	316,758
2022	260,850	42,471	303,321
2023	265,798	37,522	303,320
2024	270,845	32,475	303,320
2025	275,994	27,327	303,321
2026-2030	1,170,972	55,736	1,226,708
2031-2035	58,435	-	58,435
2036-2040	73,050	-	73,050
2041-2045	-	-	-
	\$ 2,645,380	242,853	2,888,233

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.

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The County and City also received \$243,000 for design and engineering in grant funds from the New Mexico Environment Department. 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. In civil case no. 2:17-cv-00809 JCH-GBW, a Consent Decree issued on July 30, 2020 reduced this obligation to a total of \$1,265,000 as of June 30, 2020. This consists of two payments: one for the EPA's past response costs in the amount of \$1,140,000 and one as an initial payment for the EPA's future response costs in the amount of \$125,000. The Consent Decree requires the City and County to perform the work set forth in the Unilateral Administrative Order. The Consent Decree also ordered the United States to pay the City and County \$6,389,407 for the past and future response costs of the local government entities. Those funds are earmarked to pay superfund costs.

As of June 30, 2020, the County's outstanding pollution remediation obligation was \$632,500.

The County received information on the pollution remediation obligation in the fiscal year 2020 that the obligation provided in fiscal year 2019 was both the County and City portions. As a result, a restatement was recorded to reduce the liability by half. and determined that it met the criteria to record the liability in its financial statements. 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, 2020 was as follows:

	Transfers In							
	General	State Appropriations	Debt Service	Non-Major Govern-mental	South Central Wastewater	Non-Major Enterprise Funds	Internal Service	Total
General	\$ 40,031,001	-	1,266,394	2,111,514	401,984	468,000	2,200,000	46,478,893
State Appropriations	-	-	-	-	-	-	-	-
Debt Service	542,244		154,646	-	-	-	-	696,890
Non-Major Governmental	1,383,779	-	-	1,826,742	-	-	-	3,210,521
South Central WW	-	-	-	-	-	187,294	-	187,294
Non-Major Enterprise	-	-	-	-	-	128,143	-	128,143
Internal Service	1,253,993	-	-	600,000	77,502	-	-	1,931,495
Total	\$ 43,211,017	-	1,421,040	4,538,256	479,486	783,437	2,200,000	52,633,236

Transfers totaling \$214,455 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, 2020 are as follows:

Due From Fund	Due To Fund	Amount
General Fund	State Appropriations (23111)	\$ 844,767
General Fund	Sheriff's Grant State (23300)	82,152
General Fund	Civil Preparedness (25110)	73,632
General Fund	Health Service Grant Fund (25143)	100,573
General Fund	Airport FAA Projects (41020)	1,151,594
		<u>\$ 2,252,718</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 9.80% 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 19.15% 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 21.90% 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:

	2020	2019	2018
County contributions	\$ 4,293,164	4,014,729	3,992,121
County contributions picked up on behalf of employee	2,648,084	2,610,393	2,478,305
Employee contributions	2,797,701	2,646,037	2,676,466
Total contributions	<u>\$ 9,738,949</u>	<u>9,271,159</u>	<u>9,146,892</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.

Categories	County Statutory Required	County Pick-Up Percentage	County With Pick-Up	Employee	Total
Regular Member	9.80%	9.86%	19.66%	4.79%	24.45%
Law Enforcement	19.15%	0.00%	19.15%	17.80%	36.95%
EMS/Fire Member	21.90%	0.00%	21.90%	17.70%	39.60%

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

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credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 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 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; At June 30, 2020, the County reported a liability of \$77,429,888 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2019 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2019. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2019. The 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, 2019, the County's proportion was 2.4526%, which was a decrease of 0.0203% from its proportion measured as of June 30, 2018.

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For PERA Fund Division; Municipal General Division, at June 30, 2020, the County reported a liability of \$49,987,227 for its proportionate share of the net pension liability. At June 30, 2019, the County's proportion was 2.8876%, which was an increase of 0.1383% from its proportion measured as of June 30, 2019. For the year ended June 30, 2020, the County recognized PERA Fund Division; Municipal General Division pension expense of \$9,590,528.

At June 30, 2020, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Municipal General Division</u>		
Differences between expected and actual experience	\$ 1,498,712	540,751
Changes of assumptions	2,228,904	123,117
Net difference between projected and actual earnings on pension plan investments	1,684,433	-
Change in proportion and differences between the County contributions and proportionate share of contributions	1,477,062	810,412
The County contributions subsequent to the measurement date	2,639,255	-
Total	<u>\$ 9,528,366</u>	<u>1,474,280</u>

\$2,639,255 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, 2020.

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

Year Ended June 30:	Amount
2021	\$ 2,754,424
2022	1,169,056
2023	1,214,217
2024	277,134
2025	-
Thereafter	-

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For PERA Fund Division; Municipal Police Division, at June 30, 2020, the County reported a liability of \$23,134,374 for its proportionate share of the net pension liability. At June 30, 2019, the County's proportion was 3.1319%, which was a decrease of 0.4186% from its proportion measured as of June 30, 2019. For the year ended June 30, 2020, the County recognized PERA Fund Division; Municipal Police Division pension expense of \$3,938,633.

At June 30, 2020, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Municipal Police Division</u>		
Differences between expected and actual experience	\$ 966,487	985,487
Changes of assumptions	1,312,241	58,858
Net difference between projected and actual earnings on pension plan investments	722,418	-
Change in proportion and differences between the County contributions and proportionate share of contributions	1,253,481	1,886,947
The County contributions subsequent to the measurement date	1,423,163	-
Total	<u>\$ 5,677,790</u>	<u>2,931,292</u>

\$1,423,163 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount
2021	\$ 649,754
2022	771,944
2023	(216,923)
2024	118,560
2025	-
Thereafter	-

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For PERA Fund Division; Municipal Fire Division, at June 30, 2020, the County reported a liability of \$4,308,287 for its proportionate share of the net pension liability. At June 30, 2019, the County's proportion was 0.6269%, which was a decrease of 0.0091% from its proportion measured as of June 30, 2019. For the year ended June 30, 2020, the County recognized PERA Fund Division; Municipal Fire Division pension expense of \$567,373.

At June 30, 2020, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Fire Division		
Differences between expected and actual experience	\$ 73,171	136,145
Changes of assumptions	118,204	6,817
Net difference between projected and actual earnings on pension plan investments	68,897	-
Change in proportion and differences between the County contributions and proportionate share of contributions	199,915	43,703
The County contributions subsequent to the measurement date	230,746	-
Total	\$ <u>690,933</u>	<u>186,665</u>

\$230,746 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount
2021	\$ 98,525
2022	139,763
2023	23,989
2024	11,245
2025	-
Thereafter	-

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

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization period	Level Percentage of Pay
Asset valuation method	Solved for based on statutory rates
Actuarial assumptions	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75% all other years
Mortality assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

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

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

All Funds - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	42.33%	7.48%
Risk Reduction & Mitigation	21.37%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to include Real Estate Equity	20.00%	6.48%
Multi-Risk Allocation	1.30%	
Total	100.0%	

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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, 2019. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of the 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:

		1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERA Fund Division				
Municipal General Division	\$	75,602,667	49,987,227	28,793,883
Municipal Police Division	\$	35,009,656	23,134,374	13,446,381
Municipal Fire Division	\$	5,709,825	4,308,287	3,159,696

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, 2020, 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.

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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).

Employees covered by benefit terms – At June 30, 2019 (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
	<u>950</u>

Total OPEB Liability

The County's total OPEB liability of \$26,431,734 was measured as of June 30, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2020
Experience study date	August 24, 2017
Discount rate	3.50% per annum (BOY)
	2.21% 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.
Pre-Medicare Trend Rate	Select 5.5%, Ultimate 4.5%
Retirees' share of benefit-related costs	County contributes maximum of \$350 per month

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Changes in the Total OPEB Liability

	Total OPEB Liability
June 30, 2019	\$ 22,742,813
Changes for the year:	
Service cost	1,280,932
Interest	829,681
Changes in assumptions or other inputs	2,215,448
Benefit payments	(637,140)
Net changes	3,688,921
June 30, 2020	\$ 26,431,734

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 (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 30,744,000	26,431,734	23,129,000

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	\$ 30,180,000	26,431,734	23,458,000

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$2,202,113. At June 30, 2020, 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	\$ 1,724,053	241,929
Changes of assumptions/inputs	2,060,522	1,914,362
Net difference between projected and actual investments	-	-
Contributions subsequent to the measurement date	527,892	-
Total	<u>\$ 4,312,467</u>	<u>2,156,291</u>

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 June 30:	Amount
2021	\$ 91,501
2022	91,501
2023	91,501
2024	91,501
2025	91,501
Thereafter	1,170,779

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 Voya Financial, which replaced Nationwide Retirement Solutions, Inc. in fiscal year 2020, subject only to the claims of the NAC or Voya Financial general creditors.

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Participant's rights under the plans are equal to those of general creditors of the NAC or Voya Financial 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 Voya Financial, which administers the plans.

Employee contributions totaled the following for the year ended June 30, 2020:

	NAC	Voya Financial
\$	<u>27,431</u>	<u>607,811</u>

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:

Fiscal Year Ending June 30,	Amount
2021	\$ 810,306
2022	437,098
2023	324,865
2024	122,643
2025	7,420
Thereafter	80,332
Total \$	<u>1,782,664</u>

Rental and lease payments charged to current operations for the year ended June 30, 2020 totaled \$1,202,647.

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, 2020 include:

Project Name	Total Cost	Amount Expended as of June 30, 2020	Percent Complete	Estimated Date of Completion
LEDA/Border Industrial Authority	\$ 1,749,718	1,749,718	100%	June 2020
East Mesa Flood Control, Phase II	1,753,434	1,677,855	96%	June 2023
Hatch Sring Canyon Flood Control Facility & Dam	775,600	711,383	92%	June 2022
Brahman Diversion Channel	1,000,000	32,902	3%	June 2023
Doña Ana Fire Station Addition/Remodel	632,336	296,909	47%	June 2023
Organ Fire Station Addition/Remodel	529,413	529,413	100%	June 2020
Santa Teresa Hazmat Facility Phase II	1,083,583	1,083,583	100%	June 2020
Fire Admin Parking Lot	569,064	569,064	100%	June 2020
Detention/Energy Infrastructure	5,000,000	206,927	4%	September 2021
Detention/Jail Control & CCTV NVR Video Systems	1,252,060	1,252,060	100%	June 2020
Jetport Runway 10-28 / Taxiway A	1,393,000	654,155	47%	June 2022
Jetport Runway 10-28 Phase II	4,000,000	1,464,755	37%	June 2023
Jetport Runway 10-28 Phase II	5,454,171	4,984,652	91%	August 2023
Jetport Taxi Lane E	856,000	94,052	11%	June 2023
Doña Ana School Road	525,000	42,252	8%	Open
Airport/Industrial Roads/Hwy 136	8,329,970	8,329,970	100%	June 2020
Baylor Canyon/Dripping Springs Road	826,324	826,324	100%	June 2020
Soledad Canyon Road	1,301,000	1,073,380	83%	June 2022
Mustang Road	612,971	612,971	100%	June 2022
Road's Initiative	5,700,000	4,722,969	83%	Open
Chaparral WW Collection System Phase 1C-Golden				
Eagle Trl/Bald Eagle Crt	947,563	947,563	100%	November 2020
Sleepy Farms Vado Lift Station #7/Extension	3,914,389	110,264	3%	June 2023
South Central WWTP / NMED 19-D2455	4,662,900	46,066	1%	June 2023
South Central WWTP / NMFA 4909-CIF	750,000	178,207	24%	October 2021
Total Commitments	\$ 53,618,496	32,197,394		

Contingencies

In 2020, the County has recorded contingent liabilities on the County's Government-Wide Statement of Financial Position for \$563,500. 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.

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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.

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 in the General Fund. The unexpended portion of the grant at June 30, 2020 is \$638,884.

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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.
\$1,000,000	Expanded land use civil rights
\$100,000	Sheriff's volunteers accident
\$5,000,000	Law enforcement liability – tort claim limit
\$50,000,000	Boiler and machinery
\$10,000	Injunctive relief
\$3,000,000	Cyber liability
\$5,000,000	Class A county - excess liability
\$10,000,000	Airport owners & operators liability
\$255,000	Volunterr firefighters accident
\$3,000,000	Environmental liability

Contributions paid to the pool for fiscal year 2020 were \$3,285,483.

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 fiscal year 2020 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), Independent Sheriff's Districts with coverage of \$100,000 (premium paid of \$15,528) and Pollution and Remediation Legal Liability with coverage of \$3,000,000 (premium paid of \$67,870 for a two-year policy).

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NOTE 18 –DEFICIT FUND BALANCE

The following fund incurred a deficit fund balance at June 30, 2020:

Fund		Amount
State Grants	23110	\$ (12,348)
Farm and Range	25120	(1,041)
Spaceport Gross Receipts	25160	(92,871)
Airport FAA Projects	41020	(232,004)

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

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:

Purpose	Amount
Government-Wide Financial Statements	
To restate Griggs-Walnut plume remediation liability based on new information	\$ 3,679,929

See Note 8 for additional detail.

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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 \$150,683 for fiscal year 2020.

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, 2020. 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, 2020. 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 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 Monarch Litho: PILOT \$19,099.01.
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 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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NOTES TO THE FINANCIAL STATEMENTS
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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 2019 the amount of tax abatement is \$46,136.30.
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 2019 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 2019 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 2019 the amount of tax abatement is \$3,472.48.
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	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 2019 the amount of tax abatement is \$8,134.14.
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

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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	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 2019 the amount of tax abatement is \$4,089.65.
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 2019 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, 2020**

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 2019 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 2019 the amount of tax abatement is \$307.81.
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	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, 2020**

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 2019 the amount of tax abatement is \$117,952.97.
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, 2020**

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 2019 the amount of tax abatement is \$59,303.90.
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 2019 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, 2020**

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 2019 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 2019 the amount of tax abatement is \$4,463.54.
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, 2020**

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: \$149,000.63
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 receivable by your agency 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 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.	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, 2020**

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: \$113,853.28
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
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

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/disbursed 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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

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.

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.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

Fire Districts (multiple funds) – 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.

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, 2020**

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.

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.

Detention Energy Infrastructure (45095) – To account for an energy infrastructure project at the Detention Center.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2020**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
ASSETS			
Cash and cash equivalents	\$ 8,491,094	8,122,499	16,613,593
Investments	28,481,358	323,327	28,804,685
Receivables			
Accounts receivables, net	4,361,857	-	4,361,857
Taxes receivable	294,970	-	294,970
Grants receivables	1,909,861	963,632	2,873,493
Interest receivable	10,727	120	10,847
Total receivables	<u>6,577,415</u>	<u>963,752</u>	<u>7,541,167</u>
Total assets	<u>\$ 43,549,867</u>	<u>9,409,578</u>	<u>52,959,445</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,730,618	319,168	3,049,786
Accrued payroll liabilities	120,435	94	120,529
Due to other funds	256,357	1,151,594	1,407,951
Unearned revenues	1,117,442	-	1,117,442
Other liabilities	3,500	-	3,500
Total Liabilities	<u>4,228,352</u>	<u>1,470,856</u>	<u>5,699,208</u>
Deferred inflows of resources			
Property taxes	<u>263,156</u>	-	<u>263,156</u>
Total deferred inflows of resources	<u>263,156</u>	-	<u>263,156</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	37,510,772	3,340,954	40,851,726
Committed	1,639,761	4,829,772	6,469,533
Assigned	14,086	-	14,086
Unassigned	<u>(106,260)</u>	<u>(232,004)</u>	<u>(338,264)</u>
Total fund balances	<u>39,058,359</u>	<u>7,938,722</u>	<u>46,997,081</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 43,549,867</u>	<u>9,409,578</u>	<u>52,959,445</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, 2020**

	Special Revenue Funds	Capital Projects Funds	Total Non-major Funds
REVENUES			
Taxes			
Property taxes	\$ 2,649,205	-	2,649,205
Gross receipts	21,326,250	-	21,326,250
Other taxes	1,317,091	-	1,317,091
Intergovernmental			
State operating grants	4,439,256	-	4,439,256
State capital grants	977,685	258,686	1,236,371
Federal operating grants	2,332,682	-	2,332,682
Federal capital grants	40,469	4,483,233	4,523,702
Charges for services	744,835	-	744,835
Contributions/donations private services	3,288	-	3,288
Investment earnings	596,531	33,853	630,384
Rents and royalties	315,409	-	315,409
Other revenue	470,902	-	470,902
Total revenues	<u>35,213,603</u>	<u>4,775,772</u>	<u>39,989,375</u>
EXPENDITURES			
Current			
General government	6,287,699	-	6,287,699
Public safety	3,087,071	-	3,087,071
Public works	2,218,982	173,771	2,392,753
Health and welfare	13,933,638	-	13,933,638
Community development	43,910	-	43,910
Bond issuance costs	-	34,441	34,441
Capital Outlay			
Capital outlay	4,927,324	9,478,840	14,406,164
Total Expenditures	<u>30,498,624</u>	<u>9,687,052</u>	<u>40,185,676</u>
Excess (deficiency) of revenues over expenditures	4,714,979	(4,911,280)	(196,301)
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of long-term capital-related debt	-	4,434,441	4,434,441
Transfers in	1,868,928	2,669,328	4,538,256
Transfers out	(3,136,839)	(73,682)	(3,210,521)
Total other financing sources (uses)	<u>(1,267,911)</u>	<u>7,030,087</u>	<u>5,762,176</u>
Net change in fund balance	3,447,068	2,118,807	5,565,875
Fund balances-beginning of year	<u>35,611,291</u>	<u>5,819,915</u>	<u>41,431,206</u>
Fund balances-end of the year	<u>\$ 39,058,359</u>	<u>7,938,722</u>	<u>46,997,081</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2020**

	10008	10010	10025	10050
	Community	County	County	Environmental
	Services	Clerk	Treasurer	GRT
		Equip/Rcrd	Fees	
ASSETS				
Cash and cash equivalents	\$ 21,962	40,402	2,742	-
Investments	-	174,133	11,838	6,793
Receivables				
Accounts receivables, net	-	-	(25)	204,227
Grants receivables	10,036	-	-	-
Interest receivable	-	65	4	142
Total receivables	10,036	65	(21)	204,369
Total assets	<u>\$ 31,998</u>	<u>214,600</u>	<u>14,559</u>	<u>211,162</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	2,017	-	6,093
Unearned revenues	19,518	-	-	-
Total liabilities	<u>19,518</u>	<u>2,017</u>	<u>-</u>	<u>6,093</u>
Deferred inflows of resources				
Property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	12,480	212,583	-	205,069
Committed	-	-	14,559	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>12,480</u>	<u>212,583</u>	<u>14,559</u>	<u>205,069</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,998</u>	<u>214,600</u>	<u>14,559</u>	<u>211,162</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2020**

	21135	21241	21250	22251	23110
	Federal	Housing	Affordable	DWI	State
	Grants	Grant -	Housing	Grants	Grants
		NMFA	Loan Fund		
ASSETS					
Cash and cash equivalents	\$ 85,072	2,496	375,000	913,489	271,923
Receivables					
Grants receivables	1,997	-	-	58,344	-
Total receivables	1,997	-	-	58,344	-
Total assets	<u>\$ 87,069</u>	<u>2,496</u>	<u>375,000</u>	<u>971,833</u>	<u>271,923</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	-	-	53,179	12,348
Accrued payroll liabilities	-	-	-	29,019	783
Unearned revenues	1	2,496	-	115,052	271,140
Total liabilities	<u>1</u>	<u>2,496</u>	<u>-</u>	<u>197,250</u>	<u>284,271</u>
Deferred inflows of resources					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	87,068	-	375,000	774,583	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(12,348)
Total fund balances	<u>87,068</u>	<u>-</u>	<u>375,000</u>	<u>774,583</u>	<u>(12,348)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 87,069</u>	<u>2,496</u>	<u>375,000</u>	<u>971,833</u>	<u>271,923</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2020**

	23120	23300	25110	25115	25120
	Colonia's	Sheriff's	Civil	Correction	Farm
	Initiative	Grants	Preparedness	Fees	and
		State			Range
ASSETS					
Cash and cash equivalents	\$ -	-	39,419	46,693	894
Investments	-	-	110,949	201,560	3,858
Receivables					
Accounts receivables, net	-	-	-	121,780	-
Grants receivables	-	278,804	202,861	-	-
Interest receivable	-	-	41	75	1
Total receivables	-	278,804	202,902	121,855	1
Total assets	\$ -	278,804	353,270	370,108	4,753
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	9,028	(75)	-	5,794
Accrued payroll liabilities	-	9,511	-	-	-
Due to other funds	-	82,152	73,632	-	-
Unearned revenues	-	-	6,822	-	-
Total liabilities	-	100,691	80,379	-	5,794
Deferred inflows of resources					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	178,113	272,891	370,108	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(1,041)
Total fund balances	-	178,113	272,891	370,108	(1,041)
Total liabilities, deferred inflows of resources, and fund balances	\$ -	278,804	353,270	370,108	4,753

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2020**

	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	\$ 1,806,123	1,451,206	254,323	305,587	519,377	133,776
Investments	7,798,366	5,817,933	-	1,319,124	2,241,992	577,990
Receivables						
Accounts receivables, net	-	767,719	-	-	1,110,645	-
Taxes receivable	294,970	-	-	-	-	-
Grants receivables	752,262	-	336,235	-	-	-
Interest receivable	2,900	2,164	-	491	834	215
Total receivables	<u>1,050,132</u>	<u>769,883</u>	<u>336,235</u>	<u>491</u>	<u>1,111,479</u>	<u>215</u>
Total assets	<u>\$ 10,654,621</u>	<u>8,039,022</u>	<u>590,558</u>	<u>1,625,202</u>	<u>3,872,848</u>	<u>711,981</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 512,416	60,234	63,874	-	54,399	1,798
Accrued payroll liabilities	19,380	35,302	3,985	-	-	18,540
Due to other funds	-	-	100,573	-	-	-
Unearned revenues	-	49,611	408,040	-	-	-
Total liabilities	<u>531,796</u>	<u>145,147</u>	<u>576,472</u>	<u>-</u>	<u>54,399</u>	<u>20,338</u>
Deferred inflows of resources						
Property taxes	<u>263,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>263,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	9,859,669	7,893,875	-	-	3,818,449	691,643
Committed	-	-	-	1,625,202	-	-
Assigned	-	-	14,086	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>9,859,669</u>	<u>7,893,875</u>	<u>14,086</u>	<u>1,625,202</u>	<u>3,818,449</u>	<u>691,643</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,654,621</u>	<u>8,039,022</u>	<u>590,558</u>	<u>1,625,202</u>	<u>3,872,848</u>	<u>711,981</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2020**

	25160 Spaceport Gross Receipts	25210 Confiscated Assets	25230 Law Enforcement Protection
ASSETS			
Cash and cash equivalents	\$ -	86	20,029
Investments	-	-	86,460
Receivables			
Accounts receivables, net	1,711,347	-	-
Interest receivable	-	-	32
Total receivables	<u>1,711,347</u>	<u>-</u>	<u>32</u>
Total assets	<u>\$ 1,711,347</u>	<u>86</u>	<u>106,521</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,804,218	-	-
Total liabilities	<u>1,804,218</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	86	106,521
Committed	-	-	-
Assigned	-	-	-
Unassigned	(92,871)	-	-
Total fund balances	<u>(92,871)</u>	<u>86</u>	<u>106,521</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,711,347</u>	<u>86</u>	<u>106,521</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2020**

	Fire Districts	Emergency Medical Services	50020 DAC Santa Teresa Airport	Total
ASSETS				
Cash and cash equivalents	\$ 2,109,659	2,890	87,946	8,491,094
Investments	9,731,856	12,648	385,858	28,481,358
Receivables				
Accounts receivables, net	408,466	-	37,698	4,361,857
Taxes receivable	-	-	-	294,970
Grants receivables	269,322	-	-	1,909,861
Interest receivable	3,619	-	144	10,727
Total receivables	681,407	-	37,842	6,577,415
Total assets	<u>\$ 12,522,922</u>	<u>15,538</u>	<u>511,646</u>	<u>43,549,867</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 142,620	2,667	8	2,730,618
Accrued payroll liabilities	-	-	3,915	120,435
Due to other funds	-	-	-	256,357
Unearned revenues	244,762	-	-	1,117,442
Other liabilities	-	-	3,500	3,500
Total liabilities	<u>387,382</u>	<u>2,667</u>	<u>7,423</u>	<u>4,228,352</u>
Deferred inflows of resources				
Property taxes	-	-	-	263,156
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,156</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	12,135,540	12,871	504,223	37,510,772
Committed	-	-	-	1,639,761
Assigned	-	-	-	14,086
Unassigned	-	-	-	(106,260)
Total fund balances	<u>12,135,540</u>	<u>12,871</u>	<u>504,223</u>	<u>39,058,359</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,522,922</u>	<u>15,538</u>	<u>511,646</u>	<u>43,549,867</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
AS OF JUNE 30, 2020**

	41020 Airport FAA Projects	45080 County Administration Building Project	45093 Road's Initiative	45095 Detention Energy Infrastructure	Total
ASSETS					
Cash and cash equivalents	\$ -	3,234	3,616,174	4,503,091	8,122,499
Investments	-	-	-	323,327	323,327
Receivables					
Grants receivables	963,632	-	-	-	963,632
Interest receivable	-	-	-	120	120
Total receivables	963,632	-	-	120	963,752
Total assets	\$ 963,632	3,234	3,616,174	4,826,538	9,409,578
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 44,042	-	275,126	-	319,168
Accrued payroll liabilities	-	-	94	-	94
Due to other funds	1,151,594	-	-	-	1,151,594
Total liabilities	1,195,636	-	275,220	-	1,470,856
Deferred inflows of resources					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	3,340,954	-	3,340,954
Committed	-	3,234	-	4,826,538	4,829,772
Assigned	-	-	-	-	-
Unassigned	(232,004)	-	-	-	(232,004)
Total fund balances	(232,004)	3,234	3,340,954	4,826,538	7,938,722
Total liabilities, deferred inflows of resources, and fund balances	\$ 963,632	3,234	3,616,174	4,826,538	9,409,578

**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, 2020**

	10008	10010	10025	10050
	Community	County	County	Environmental
	Services	Clerk	Treasurer	GRT
		Equip/Rcld	Fees	
REVENUES				
Taxes				
Gross receipts	\$ -	-	-	1,168,616
Intergovernmental				
State operating grants	24,082	-	-	-
Charges for services	-	197,499	4,534	-
Investment earnings	-	3,967	215	4,058
Other revenue	110	441	-	-
Total revenues	<u>24,192</u>	<u>201,907</u>	<u>4,749</u>	<u>1,172,674</u>
EXPENDITURES				
Current				
General government	-	206,181	1,763	40,049
Economic development	24,191	-	-	-
Capital outlay				
Capital outlay	-	60,127	-	-
Total expenditures	<u>24,191</u>	<u>266,308</u>	<u>1,763</u>	<u>40,049</u>
Excess (deficiency) of revenues over expenditures	1	(64,401)	2,986	1,132,625
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,128,946)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,128,946)</u>
Net change in fund balance	1	(64,401)	2,986	3,679
Fund balances-beginning of year	12,479	276,984	11,573	201,390
Fund balances-end of the year	<u>\$ 12,480</u>	<u>212,583</u>	<u>14,559</u>	<u>205,069</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, 2020**

	21135 Federal Grants	21241 Housing Grant - NMFA	21250 Affordable Housing Loan Fund	22251 DWI Grants	23110 State Grants
REVENUES					
Intergovernmental					
State operating grants	\$ -	-	-	1,256,106	241,099
State capital grants	-	-	-	-	13,404
Federal operating grants	19,719	-	-	-	-
Charges for services	-	-	-	214,006	-
Other revenue	-	-	-	3,154	-
Total revenues	<u>19,719</u>	<u>-</u>	<u>-</u>	<u>1,473,266</u>	<u>254,503</u>
EXPENDITURES					
Current					
Health and welfare	-	-	-	1,389,808	250,361
Economic development	19,719	-	-	-	-
Capital outlay					
Capital outlay	-	-	-	-	16,490
Total expenditures	<u>19,719</u>	<u>-</u>	<u>-</u>	<u>1,389,808</u>	<u>266,851</u>
Excess (deficiency) of revenues over expenditures	-	-	-	83,458	(12,348)
OTHER FINANCING SOURCES (USES)					
Transfers in	87,068	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>87,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	87,068	-	-	83,458	(12,348)
Fund balances-beginning of year	-	-	375,000	691,125	-
Fund balances-end of the year	<u>\$ 87,068</u>	<u>-</u>	<u>375,000</u>	<u>774,583</u>	<u>(12,348)</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, 2020**

	23120	23300	25110	25115	25120
	Colonia's	Sheriff's	Civil	Correction	Farm
	Initiative	Grants	Preparedness	Fees	and
		State			Range
REVENUES					
Intergovernmental					
State operating grants	\$ -	15,224	159,408	-	-
Federal operating grants	-	1,044,040	412,389	-	-
Charges for services	-	-	-	272,348	9,073
Investment earnings	-	-	1,241	8,749	369
Other revenue	-	147,341	-	-	-
Total revenues	-	1,206,605	573,038	281,097	9,442
EXPENDITURES					
Current					
Public safety	-	736,592	288,699	-	39,391
Capital outlay					
Capital outlay	-	468,241	13,432	769,544	-
Total expenditures	-	1,204,833	302,131	769,544	39,391
Excess (deficiency) of revenues over expenditures	-	1,772	270,907	(488,447)	(29,949)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(8,517)	-	(246,316)	-	-
Total other financing sources (uses)	(8,517)	-	(246,316)	-	-
Net change in fund balance	(8,517)	1,772	24,591	(488,447)	(29,949)
Fund balances-beginning of year	8,517	176,341	248,300	858,555	28,908
Fund balances-end of the year	\$ -	178,113	272,891	370,108	(1,041)

**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, 2020**

	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	\$ 2,649,205	-	-	-	-	-
Gross receipts	-	7,199,038	-	-	6,541,740	-
Other taxes	-	-	-	-	-	1,317,091
Intergovernmental						
State operating grants	-	-	220,706	-	-	-
State capital grants	964,281	-	-	-	-	-
Federal operating grants	-	-	856,534	-	-	-
Federal capital grants	40,469	-	-	-	-	-
Investment earnings	169,379	110,752	-	28,189	44,761	12,238
Other revenue	(40,742)	3,858	474	-	205,198	5,469
Total revenues	<u>3,782,592</u>	<u>7,313,648</u>	<u>1,077,714</u>	<u>28,189</u>	<u>6,791,699</u>	<u>1,334,798</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	1,473,282
Public works	1,991,508	-	-	-	-	-
Health and welfare	-	5,292,938	1,067,724	15,909	5,916,898	-
Capital outlay						
Capital outlay	1,833,992	-	13,147	-	-	43,052
Total expenditures	<u>3,825,500</u>	<u>5,292,938</u>	<u>1,080,871</u>	<u>15,909</u>	<u>5,916,898</u>	<u>1,516,334</u>
Excess (deficiency) of revenues over expenditures	(42,908)	2,020,710	(3,157)	12,280	874,801	(181,536)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	23,060	-	-	-
Transfers out	-	(23,060)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(23,060)</u>	<u>23,060</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(42,908)	1,997,650	19,903	12,280	874,801	(181,536)
Fund balances-beginning of year	9,902,577	5,896,225	(5,817)	1,612,922	2,943,648	873,179
Fund balances-end of the year	<u>\$ 9,859,669</u>	<u>7,893,875</u>	<u>14,086</u>	<u>1,625,202</u>	<u>3,818,449</u>	<u>691,643</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, 2020**

	25160 Spaceport Gross Receipts	25210 Confiscated Assets	25230 Law Enforcement Protection
REVENUES			
Gross receipts	\$ 4,079,534	-	-
Investment earnings	-	-	1,821
Other revenue	-	-	103,200
Total revenues	<u>4,079,534</u>	<u>-</u>	<u>105,021</u>
EXPENDITURES			
Current			
General government	4,566,424	-	-
Public safety	-	180	-
Total expenditures	<u>4,566,424</u>	<u>180</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(486,890)	(180)	105,021
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(486,890)	(180)	105,021
Fund balances-beginning of year	394,019	266	1,500
Fund balances-end of the year	<u>\$ (92,871)</u>	<u>86</u>	<u>106,521</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, 2020**

	Fire Districts	Emergency Medical Services	50020 DAC Santa Teresa Airport	Total
REVENUES				
Taxes				
Property taxes	\$ -	-	-	2,649,205
Gross receipts	2,337,322	-	-	21,326,250
Other taxes	-	-	-	1,317,091
Intergovernmental				
State operating grants	2,372,749	149,882	-	4,439,256
State capital grants	-	-	-	977,685
Federal operating grants	-	-	-	2,332,682
Federal capital grants	-	-	-	40,469
Charges for services	-	-	47,375	744,835
Contributions/donations private services	3,288	-	-	3,288
Investment earnings	201,985	1,567	7,240	596,531
Rents and royalties	10,440	-	304,969	315,409
Other revenue	34,227	-	8,172	470,902
Total revenues	<u>4,960,011</u>	<u>151,449</u>	<u>367,756</u>	<u>35,213,603</u>
EXPENDITURES				
Current				
General government	-	-	-	6,287,699
Public safety	1,880,614	141,595	-	3,087,071
Public works	-	-	227,474	2,218,982
Health and welfare	-	-	-	13,933,638
Economic development	-	-	-	43,910
Capital outlay				
Capital outlay	1,709,299	-	-	4,927,324
Total expenditures	<u>3,589,913</u>	<u>141,595</u>	<u>227,474</u>	<u>30,498,624</u>
Excess (deficiency) of revenues over expenditures	1,370,098	9,854	140,282	4,714,979
OTHER FINANCING SOURCES (USES)				
Transfers in	1,758,800	-	-	1,868,928
Transfers out	(1,730,000)	-	-	(3,136,839)
Total other financing sources (uses)	<u>28,800</u>	<u>-</u>	<u>-</u>	<u>(1,267,911)</u>
Net change in fund balance	1,398,898	9,854	140,282	3,447,068
Fund balances-beginning of year	10,736,642	3,017	363,941	35,611,291
Fund balances-end of the year	<u>\$ 12,135,540</u>	<u>12,871</u>	<u>504,223</u>	<u>39,058,359</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, 2020**

	41020 Airport FAA Projects	45070 HH Capital Improvements	45080 County Administration Building Project	45093 Road's Initiative	45095 Detention Energy Infrastructure	Total
REVENUES						
Intergovernmental						
State capital grants	\$ 258,686	-	-	-	-	258,686
Federal capital grants	4,483,233	-	-	-	-	4,483,233
Investment earnings	388	-	-	-	33,465	33,853
Total revenues	<u>4,742,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,465</u>	<u>4,775,772</u>
EXPENDITURES						
Current						
Public works	48,767	-	-	125,004	-	173,771
Bond issuance costs	-	-	-	-	34,441	34,441
Capital outlay						
Capital outlay	<u>4,946,571</u>	<u>-</u>	<u>722,766</u>	<u>3,602,576</u>	<u>206,927</u>	<u>9,478,840</u>
Total expenditures	<u>4,995,338</u>	<u>-</u>	<u>722,766</u>	<u>3,727,580</u>	<u>241,368</u>	<u>9,687,052</u>
Excess (deficiency) of revenues over expenditures	(253,031)	-	(722,766)	(3,727,580)	(207,903)	(4,911,280)
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of long-term capital-related debt	-	-	-	-	4,434,441	4,434,441
Transfers in	-	-	29,100	2,040,228	600,000	2,669,328
Transfers out	-	(73,682)	-	-	-	(73,682)
Total other financing sources (uses)	<u>-</u>	<u>(73,682)</u>	<u>29,100</u>	<u>2,040,228</u>	<u>5,034,441</u>	<u>7,030,087</u>
Net change in fund balance	(253,031)	(73,682)	(693,666)	(1,687,352)	4,826,538	2,118,807
Fund balances-beginning of year	21,027	73,682	696,900	5,028,306	-	5,819,915
Fund balances-end of the year	<u>\$ (232,004)</u>	<u>-</u>	<u>3,234</u>	<u>3,340,954</u>	<u>4,826,538</u>	<u>7,938,722</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

Non-major business-type funds consist of the following:

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.

Chaparral Wastewater System (50070) – To account for the service activities of the wastewater 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, 2020**

	50043	50046	50064	50065
	Salem/Ogas Wastewater System	La Union Wastewater System	Dona Ana Wastewater System	Las Palmeras/ Montana Vista Wastewater
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 39,978	109,399	-	-
Investments	48,652	170,073	-	-
Receivables				
Accounts receivables, net	15,461	17,043	-	-
Interest receivable	18	63	-	-
Total receivables	15,479	17,106	-	-
Total current assets	104,109	296,578	-	-
Non-current assets:				
Capital assets, net	2,188,692	3,327,370	2,171,702	383,073
Total non-current assets	2,188,692	3,327,370	2,171,702	383,073
Total assets	\$ 2,292,801	3,623,948	2,171,702	383,073
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 799	237	-	-
Accrued interest payable	1,115	4,543	-	-
Accrued payroll liabilities	728	457	-	-
Compensated absences	6,141	4,792	-	-
Bonds and notes payable	35,436	34,082	-	-
Other liabilities	4,226	4,177	-	1,600
Total current liabilities	48,445	48,288	-	1,600
Non-current liabilities:				
Bonds and notes payable	310,229	298,376	-	-
Compensated absences	3,685	2,875	-	-
Total non-current liabilities	313,914	301,251	-	-
Total liabilities	362,359	349,539	-	1,600
NET POSITION				
Net investment in capital assets	1,843,027	2,994,912	2,171,702	383,073
Unrestricted	87,415	279,497	-	(1,600)
Total net position	1,930,442	3,274,409	2,171,702	381,473
Total liabilities and net position	\$ 2,292,801	3,623,948	2,171,702	383,073

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

	50067 Rincon Wastewater System	50070 Chaparral Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 27,474	329,858	46,816	553,525
Investments	39,817	-	156,803	415,345
Receivables				
Accounts receivables, net	5,097	23,044	-	60,645
Interest receivable	15	-	58	154
Total receivables	<u>5,112</u>	<u>23,044</u>	<u>58</u>	<u>60,799</u>
Total current assets	<u>72,403</u>	<u>352,902</u>	<u>203,677</u>	<u>1,029,669</u>
Non-current assets:				
Capital assets, net	<u>1,059,649</u>	<u>7,112,228</u>	<u>796,861</u>	<u>17,039,575</u>
Total non-current assets	<u>1,059,649</u>	<u>7,112,228</u>	<u>796,861</u>	<u>17,039,575</u>
Total assets	<u>\$ 1,132,052</u>	<u>7,465,130</u>	<u>1,000,538</u>	<u>18,069,244</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 490	22,894	-	24,420
Accrued interest payable	-	5,135	-	10,793
Accrued payroll liabilities	823	4,549	-	6,557
Compensated absences	11,336	14,607	-	36,876
Bonds and notes payable	-	18,874	-	88,392
Other liabilities	<u>1,348</u>	<u>15,541</u>	<u>-</u>	<u>26,892</u>
Total current liabilities	<u>13,997</u>	<u>81,600</u>	<u>-</u>	<u>193,930</u>
Non-current liabilities:				
Bonds and notes payable	-	461,166	-	1,069,771
Compensated absences	<u>6,802</u>	<u>8,764</u>	<u>-</u>	<u>22,126</u>
Total non-current liabilities	<u>6,802</u>	<u>469,930</u>	<u>-</u>	<u>1,091,897</u>
Total liabilities	<u>20,799</u>	<u>551,530</u>	<u>-</u>	<u>1,285,827</u>
NET POSITION				
Net investment in capital assets	1,059,649	6,632,188	796,861	15,881,412
Unrestricted	<u>51,604</u>	<u>281,412</u>	<u>203,677</u>	<u>902,005</u>
Total net position	<u>1,111,253</u>	<u>6,913,600</u>	<u>1,000,538</u>	<u>16,783,417</u>
Total liabilities and net position	<u>\$ 1,132,052</u>	<u>7,465,130</u>	<u>1,000,538</u>	<u>18,069,244</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, 2020**

	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	\$ 40	2,380	-	-
Charges for sewerage service	117,461	135,282	-	-
Other revenue	3,783	10,625	-	-
Total operating revenues	<u>121,284</u>	<u>148,287</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES				
Personnel services - salaries and wages	23,973	16,587	-	-
Personnel services - employee benefits	11,155	15,047	-	-
Professional and technical services	-	30,260	-	-
Utilities	18,897	7,650	-	-
Other operating expenses	22,218	50,143	-	-
Depreciation	80,094	180,164	73,474	13,368
Total operating expenses	<u>156,337</u>	<u>299,851</u>	<u>73,474</u>	<u>13,368</u>
Operating income (loss)	(35,053)	(151,564)	(73,474)	(13,368)
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	1,052	3,216	-	-
Interest expense	777	-	-	-
Total non-operating revenues (expenses)	<u>1,829</u>	<u>3,216</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	(33,224)	(148,348)	(73,474)	(13,368)
Transfers in	105,000	280,000	-	-
Transfers out	(33,853)	(78,883)	-	-
Total transfers in (out)	<u>71,147</u>	<u>201,117</u>	<u>-</u>	<u>-</u>
Change in net position	37,923	52,769	(73,474)	(13,368)
Beginning net position	1,892,519	3,221,640	2,245,176	394,841
Net position-end of the year	<u>\$ 1,930,442</u>	<u>3,274,409</u>	<u>2,171,702</u>	<u>381,473</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, 2020**

	50067 Rincon Wastewater System	50070 Chaparral Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 1,360	53,304	-	57,084
Charges for sewerage service	41,132	266,837	-	560,712
Other revenue	5,604	24,160	-	44,172
Total operating revenues	<u>48,096</u>	<u>344,301</u>	<u>-</u>	<u>661,968</u>
OPERATING EXPENSES				
Personnel services - salaries and wages	39,760	120,968	-	201,288
Personnel services - employee benefits	17,987	63,746	-	107,935
Professional and technical services	-	-	-	30,260
Utilities	8,909	31,536	-	66,992
Other operating expenses	17,016	104,417	249,148	442,942
Depreciation	32,143	573,149	154,301	1,106,693
Total operating expenses	<u>115,815</u>	<u>893,816</u>	<u>403,449</u>	<u>1,956,110</u>
Operating income (loss)	(67,719)	(549,515)	(403,449)	(1,294,142)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental				
State capital grants	-	18,056	-	18,056
Investment earnings	682	-	3,307	8,257
Interest expense	-	(6,558)	(40,735)	(46,516)
Total non-operating revenues (expenses)	<u>682</u>	<u>11,498</u>	<u>(37,428)</u>	<u>(20,203)</u>
Income (loss) before transfers	(67,037)	(538,017)	(440,877)	(1,314,345)
Transfers in	83,000	-	315,437	783,437
Transfers out	-	(15,407)	-	(128,143)
Total transfers in (out)	<u>83,000</u>	<u>(15,407)</u>	<u>315,437</u>	<u>655,294</u>
Change in net position	15,963	(553,424)	(125,440)	(659,051)
Beginning net position	1,095,290	7,467,024	1,125,978	17,442,468
Net position-end of the year	<u>\$ 1,111,253</u>	<u>6,913,600</u>	<u>1,000,538</u>	<u>16,783,417</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	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	\$ 101,032	127,980	-	-
Payments to employees	(34,491)	(30,983)	-	-
Payments to suppliers	(28,699)	(81,416)	-	-
Other receipts/(payments)	3,783	10,625	-	-
<i>Net cash provided (used) by operating activities</i>	<u>41,625</u>	<u>26,206</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	105,000	280,000	-	-
Transfers to other funds	(33,853)	(78,883)	-	-
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>71,147</u>	<u>201,117</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	(23,607)	-	-	-
Principal payments	(27,803)	(56,173)	-	-
Interest payments	777	-	-	-
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>(50,633)</u>	<u>(56,173)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	(23,213)	-	-	-
Purchase of investments	-	(64,967)	-	-
Interest and dividends	1,052	3,216	-	-
<i>Net cash provided by (used for) investing activities</i>	<u>(22,161)</u>	<u>(61,751)</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	39,978	109,399	-	-
Balances - beginning of year	-	-	-	-
Balances - end of year	<u>\$ 39,978</u>	<u>109,399</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, 2020**

	50067 Rincon Wastewater System	50070 Chaparral Wastewater System	NMED County Utilities	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 44,306	748,380	298	1,021,996
Payments to employees	(57,326)	(181,142)	-	(303,942)
Payments to suppliers	(27,128)	(378,370)	(249,148)	(764,761)
Other receipts/(payments)	5,604	24,160	-	44,172
<i>Net cash provided (used) by operating activities</i>	<u>(34,544)</u>	<u>213,028</u>	<u>(248,850)</u>	<u>(2,535)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	83,000	-	315,437	783,437
Transfers to other funds	-	(15,407)	-	(128,143)
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>83,000</u>	<u>(15,407)</u>	<u>315,437</u>	<u>655,294</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	-	(25,244)	-	(48,851)
Proceeds from issuance of debt	-	48,221	-	48,221
Principal payments	-	(6,000)	-	(89,976)
Interest payments	-	(6,558)	(40,735)	(46,516)
Intergovernmental capital grants	-	18,056	-	18,056
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>-</u>	<u>28,475</u>	<u>(40,735)</u>	<u>(119,066)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	-	-	17,312	(5,901)
Purchase of investments	(21,664)	-	-	(86,631)
Interest and dividends	682	-	3,307	8,257
<i>Net cash provided by (used for) investing activities</i>	<u>(20,982)</u>	<u>-</u>	<u>20,619</u>	<u>(84,275)</u>
Net increase/(decrease) in cash and cash equivalents	27,474	226,096	46,471	449,418
Balances - beginning of year	-	103,762	345	104,107
Balances - end of year	<u>\$ 27,474</u>	<u>329,858</u>	<u>46,816</u>	<u>553,525</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	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)	\$ (35,053)	(151,564)	(73,474)	(13,368)
Adjustments:				
Depreciation expense	80,094	180,164	73,474	13,368
Bad debt expense	12,634	6,325	-	-
Change in assets and liabilities:				
Receivables	(16,469)	(9,682)	-	-
Accounts payable	780	237	-	-
Accrued expenses and other liabilities	(998)	75	-	-
Compensated absences	637	651	-	-
Net cash provided by (used for) operating activities	\$ <u>41,625</u>	<u>26,206</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, 2020**

		50067 Rincon Wastewater System	50070 Chaparral 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)	\$	(67,719)	(549,515)	(403,449)	(1,294,142)
Adjustments:					
Depreciation expense		32,143	573,149	154,301	1,106,693
Bad debt expense		(1,635)	44,066	-	61,390
Change in assets and liabilities:					
Receivables		1,814	428,239	298	404,200
Accounts payable		490	(291,383)	-	(289,876)
Accrued expenses and other liabilities		(58)	4,900	-	3,919
Compensated absences		421	3,572	-	5,281
Net cash provided by (used for) operating activities	\$	<u>(34,544)</u>	<u>213,028</u>	<u>(248,850)</u>	<u>(2,535)</u>

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
COST TO STATE/TREASURER				
10020				
Assets				
Cash and cash equivalents	\$ 10,807	26,148	(35,201)	1,754
Liabilities				
Due to others	\$ 10,807	26,148	(35,201)	1,754
INMATE TRUST FUND				
25112				
Assets				
Cash and cash equivalents	\$ 56,734	1,713,783	(1,713,722)	56,795
Liabilities				
Due to others	\$ 56,734	1,713,783	(1,713,722)	56,795
CHILDREN'S TRUST FUND				
70010				
Assets				
Cash and cash equivalents	\$ 1,725	16,375	(17,560)	540
Liabilities				
Due to others	\$ 1,725	16,375	(17,560)	540
PROPERTY TAX FUND				
70040				
Assets				
Cash and cash equivalents	\$ 1,346,075	143,312,132	(143,351,109)	1,307,098
Taxes receivable, net	6,972,215	7,344,618	(6,972,215)	7,344,618
Total assets	\$ 8,318,290	150,656,750	(150,323,324)	8,651,716
Liabilities				
Accounts payable	\$ -	456,453	(455,549)	904
Taxes paid in advance	376,510	527,879	(567,918)	336,471
Taxes in suspense	1,095,522	4,875,722	(3,701,802)	2,269,442
Due to others	766,680	139,518,635	(139,518,477)	766,838
Unearned revenue	6,079,578	5,278,061	(6,079,578)	5,278,061
Total liabilities	\$ 8,318,290	150,656,750	(150,323,324)	8,651,716
AIRPORT ROAD -SPECIAL ASSESSMENT -2001A				
70050				
Assets				
Cash and cash equivalents	\$ 60,867	468,666	(529,533)	-
Receivable	637	315,078	(315,715)	-
Total assets	\$ 61,504	783,744	(845,248)	-
Liabilities				
Due to others	\$ 61,504	783,744	(845,248)	-
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 1,476,208	145,537,104	(145,647,125)	1,366,187
Taxes receivable	6,972,215	7,344,618	(6,972,215)	7,344,618
Other receivables	637	315,078	(315,715)	-
Total assets	\$ 8,449,060	153,196,800	(152,935,055)	8,710,805
Liabilities				
Accounts payable	\$ -	456,453	(455,549)	904
Taxes paid in advance	376,510	527,879	(567,918)	336,471
Taxes in suspense	1,095,522	4,875,722	(3,701,802)	2,269,442
Due to others	897,450	142,058,685	(142,130,208)	825,927
Unearned revenue	6,079,578	5,278,061	(6,079,578)	5,278,061
Total liabilities	\$ 8,449,060	153,196,800	(152,935,055)	8,710,805

**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***

	2020	2019	2018	2017	2016	2015
	Measurement Date as of					
	June 30, 2019	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	2.8876%	2.7493%	2.8809%	2.8537%	2.7176%	2.8351%
Municipal Police	3.1319%	3.5505%	3.1108%	3.1363%	2.9655%	3.0821%
Municipal Fire	0.6269%	0.6360%	0.5723%	0.5615%	0.5785%	0.5600%
	2.4526%	2.4730%	2.4040%	2.4139%	2.2292%	2.2646%
The County's proportionate share of the net pension liability (asset) (\$)						
Municipal General	\$ 49,987,227	43,834,017	39,586,003	45,592,523	27,708,287	22,116,823
Municipal Police	23,134,374	24,225,214	17,282,534	23,140,555	14,259,786	10,046,985
Municipal Fire	4,308,287	4,070,799	3,274,383	3,745,776	2,985,647	2,337,436
	\$ 77,429,888	72,130,030	60,142,920	72,478,854	44,953,720	34,501,244
The County's covered payroll						
Municipal General	\$ 26,350,649	25,118,105	25,305,749	25,450,764	22,480,869	23,014,404
Municipal Police	6,971,677	7,501,275	6,411,370	6,463,042	5,807,915	5,935,459
Municipal Fire	834,157	811,090	693,478	679,972	656,416	623,793
	\$ 34,156,484	33,430,470	32,410,597	32,593,779	28,945,200	29,573,657
The County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll						
Municipal General	190%	175%	156%	179%	123%	96%
Municipal Police	332%	323%	270%	358%	246%	169%
Municipal Fire	516%	502%	472%	551%	455%	375%
Plan fiduciary net position as a percentage of the total pension liability						
Municipal General	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
Municipal Police	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
Municipal Fire	70.52%	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***

	2020	2019	2018	2017	2016	2015
Statutory required contribution						
Municipal General	\$ 2,639,255	2,516,487	2,398,779	2,416,699	2,430,548	2,146,923
Municipal Police	1,423,163	1,317,647	1,417,741	1,211,749	1,221,515	1,097,696
Municipal Fire	230,746	180,595	175,601	150,138	147,214	142,114
	<u>\$ 4,293,164</u>	<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	\$ 2,639,255	2,516,487	2,398,779	2,416,699	2,430,548	2,146,923
Municipal Police	1,423,163	1,317,647	1,417,741	1,211,749	1,221,515	1,097,696
Municipal Fire	230,746	180,595	175,601	150,138	147,214	142,114
	<u>\$ 4,293,164</u>	<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>	<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, 2020**

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 2019 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***

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 1,280,932	1,160,468	1,201,614	1,156,845
Interest	829,681	823,253	824,254	765,062
Differences between expected and actual experience	-	2,004,387	-	(342,511)
Changes of assumptions or other inputs	2,215,448	(1,061,826)	(844,527)	(506,265)
Benefit payments	(637,140)	(591,351)	(1,740,816)	(638,884)
Net change in total OPEB liability	3,688,921	2,334,931	(559,475)	434,247
Total OPEB liability - beginning	22,742,813	20,407,882	20,967,357	20,533,110
Total OPEB liability - ending	\$ 26,431,734	22,742,813	20,407,882	20,967,357
Covered-employee payroll	\$ 37,296,000	36,034,455	34,103,000	32,949,471
Total OPEB liability as a percentage of covered-employee payroll	71%	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 following are the discount rates used in each period:

2020	2.21%
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, 2020

Project #	Agency	Project Name	Agreement Date	Reversion Date	Original Appropriation Award (\$)	Expenditures as of June 30, 2020	Current Year Expenditures	Remaining Balance as of June 30, 2020
16-A2659	Department of Transportation	Highway 136/Airport Rd/Industrial Rd	12/28/2015	6/30/2020	4,000,000	\$ 3,749,219	203,538	47,243
16-A2559	Department of Transportation	Jetport Runway 10-28 Upgrades	11/3/2016	6/30/2020	255,000	254,979	-	21
16-A2419	Department of Finance and Administration	Radium Springs Fire Station Improvements	11/18/2016	6/30/2020	396,000	28,809	-	367,191
16-A2561	Department of Transportation	Berino Area Rd & Drainage Improvements	1/23/2017	6/30/2020	175,000	175,000	-	-
18-C2485	Department of Finance and Administration	DAC Fairgrounds Improvements	10/5/2018	6/30/2022	120,000	37,357	81,948	695
18-C2504	Department of Finance and Administration	Mesquite Community Center Equipment	10/5/2018	6/30/2020	40,000	16,300	22,590	1,110
18-2629	Department of Transportation	Soledad Canyon Rd	10/22/2018	6/30/2022	1,101,000	469,276	484,104	147,620
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	-	-
18-C2628	Department of Transportation	DAC International Jetport	10/22/2018	6/30/2022	1,138,000	99,227	300,171	738,603
19-D3011	Department of Finance and Administration	Mesquite Community Center Phase 2 Improvements	6/17/2019	6/30/2023	50,000	-	14,989	35,011
D3326	Department of Transportation	Baylor Canyon Road	6/20/2019	6/30/2023	50,000	-	11,410	38,590
D3327	Department of Transportation	Hill Area Improvements	6/20/2019	6/30/2023	75,000	-	2,090	72,910
19-D3006	Department of Finance and Administration	Mesilla Valley Regional Dispatch Solar Panels	6/25/2019	6/30/2023	100,000	-	-	100,000
A19-D2024	Aging and Long-Term Services Dept	Anthony Senior Ctr. Improvements	6/25/2019	6/30/2023	157,410	-	79,962	77,448
19-D2978	Department of Finance and Administration	DAC Butterfield- Community Park	6/27/2019	6/30/2023	40,000	-	39,597	403
19-D2984	Department of Finance and Administration	DAC Berino Park Improvements	6/27/2019	6/30/2023	69,000	-	67,226	1,774
19-D2986	Department of Finance and Administration	Chaparral Sports Complex	6/27/2019	6/30/2023	495,000	-	29,995	465,005
19-D2991	Department of Finance and Administration	La Mesa Baseball Park Imp	6/27/2019	6/30/2023	50,000	-	50,097	(97)
19-D2977	Department of Finance and Administration	DAC Baseball Park	6/27/2019	6/30/2023	225,000	-	179,927	45,073
19-D2979	Department of Finance and Administration	DAC East Mesa Park	6/27/2019	6/30/2023	40,000	-	38,497	1,503
19-D2987	Department of Finance and Administration	DAC Betty McKnight Ctr.	6/27/2019	6/30/2023	122,760	-	64,822	57,938
19-D3010	Department of Finance and Administration	Mesquite Community Park Improvements	6/27/2019	6/30/2023	50,000	-	46,276	3,724
19-D3012	Department of Finance and Administration	Radium Springs in DAC	6/27/2019	6/30/2023	198,000	-	73,959	124,041
19-D2981	Department of Finance and Administration	DAC Radio Comm System Replacement	6/27/2019	6/30/2023	225,000	-	195,554	29,446
19-D2988	Department of Finance and Administration	DAC Community Ctr. Improvements	7/23/2019	6/30/2023	60,000	-	19,938	40,062
19-D3335	Department of Transportation	D3335 DAC Casas Lindas Drainage & Park	8/1/2019	6/30/2023	100,000	-	99,768	232
D3325	Department of Transportation	Dripping Springs Road	8/1/2019	6/30/2023	180,000	-	43,906	136,094
D3329	Department of Transportation	Organ Area Roads Ct.	8/1/2019	6/30/2023	400,000	-	96,416	303,584
D3331	Department of Transportation	Gabaldon Road	8/1/2019	6/30/2023	75,000	-	30,671	44,329
D3332	Department of Transportation	La Union Sidewalks	8/1/2019	6/30/2023	100,000	-	-	100,000
D3333	Department of Transportation	Zeus Avenue	8/1/2019	6/30/2023	165,000	-	33,523	131,477
D3334	Department of Transportation	Tornillo Flats Drive	8/1/2019	6/30/2023	253,000	-	253,000	-
D3336	Department of Transportation	Dona Ana Sidewalk & Lighting Improvements	8/1/2019	6/30/2023	324,000	-	38,480	285,520
19-D3344	Department of Transportation	Jetport Runway 10-28	8/1/2019	6/30/2023	4,000,000	-	1,438,800	2,561,200
19-D3328	Department of Transportation	Jetport Taxi Lane E.	8/1/2019	6/30/2023	756,000	-	272	755,728
A18-C5023	Aging and Long-Term Services Dept	Anthony Sen. Ctr. Equip. System/Code Compliance	11/14/2019	6/30/2023	100,000	-	6,815	93,185
A18-C5024	Aging and Long-Term Services Dept	Betty McKnight Multi. Ctr. Equip. System/Code Compliance	11/14/2019	6/30/2023	100,000	-	6,763	93,237
A18C5022	Aging and Long-Term Services Dept	Anthony Senior Ctr. - Vehicles	11/14/2019	6/30/2023	138,700	-	135,683	3,017
19-D4036	Department of Finance and Administration	Berino Park Improv. Trail Lighting	4/20/2020	6/30/2022	81,800	-	3,607	78,193
19-D4037	Department of Finance and Administration	Delores Wright Park Improvements	4/20/2020	6/30/2021	275,000	-	-	275,000
						\$ 4,858,974	4,265,586	7,256,110

STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF CASH, INVESTMENTS, AND PLEDGED COLLATERAL
BY BANK AND ACCOUNT
AS OF JUNE 30, 2020

Account Name	Account Type	Wells Fargo Bank, NA	Bank of the West	New Mexico Finance Authority	Dona Ana County	Moreton Capital Markets	Mutual Securities	First New Mexico Bank	First American Bank	Citizens Bank
Cash, cash equivalents, and investments										
Operational	Checking*	\$ 27,407,226	-	-	-	-	-	-	-	-
Property Tax	Checking*	2,337,078								
Inmate Trust Fund	Checking*	230,087	-	-	-	-	-	-	-	-
Self Funded Health Insurance	Checking*	1,470,538	-	-	-	-	-	-	-	-
State Seizures	Money Market*	-	86	-	-	-	-	-	-	-
Debt Service Reserve	Reserves	-	-	4,562,622	-	-	-	-	-	-
Certificate of Deposits	Certificate of Deposits	1,292,524	-	-	-	20,200,039	1,533,200	500,000	2,000,000	2,000,000
Savings	Savings*	1,362,572	-	-	-	-	-	-	-	-
Money Market	Money Market*	15,396,187	-	-	-	252,477	251,702	-	-	-
US Treasury Notes and Bonds	Investment	2,343,245	-	-	-	446,574	-	-	-	-
County Bond	Investment	-	-	-	4,815,000	-	-	-	-	-
Municipal Bond	Investment	798,007	-	-	-	-	-	-	-	-
Federal Farm Credit	Investment	1,085,049	-	-	-	4,016,660	999,750	-	-	-
Federal Home Loan Bank	Investment	1,211,543	-	-	-	250,235	-	-	-	-
Federal National Mortgage	Investment	40,004	-	-	-	-	-	-	-	-
Fannie Mae/Freddie Mac	Investment	1,936,650	-	-	-	-	-	-	-	-
Petty cash	Petty Cash	-	-	-	-	-	-	-	-	-
Subtotal cash and investments		56,910,710	86	4,562,622	4,815,000	25,165,985	2,784,652	500,000	2,000,000	2,000,000
Total amount of deposit in bank		34,898,032	86	-	-	20,200,039	1,533,200	500,000	2,000,000	2,000,000
FDIC coverage		(480,087)	(86)	-	-	(20,200,039)	(1,533,200)	(250,000)	(250,000)	(250,000)
Total uninsured public funds		34,417,945	-	-	-	-	-	250,000	1,750,000	1,750,000
50% Collateral Requirement (Section 6-10-17 NMSA 1978)		17,208,973	-	-	-	-	-	125,000	875,000	875,000
102% Collateral Requirement (Section 6-10-10(H) NMSA 1978)		-	-	-	-	-	-	-	-	-
		17,208,973	-	-	-	-	-	125,000	875,000	875,000
Pledged security at:										
Citizens Bank		-	-	-	-	-	-	-	-	2,402,252
Century Bank		-	-	-	-	-	-	-	-	-
First New Mexico Bank		-	-	-	-	-	-	256,550	-	-
First American Bank		-	-	-	-	-	-	-	1,022,125	-
First National Bank - Santa Fe (Sunflower Bank)		-	-	-	-	-	-	-	-	-
First Savings Bank		-	-	-	-	-	-	-	-	-
Firstlight Federal Credit Union		-	-	-	-	-	-	-	-	-
Wells Fargo Bank, NA (Mellon Bank)		36,065,028	-	-	-	-	-	-	-	-
Total collateral		36,065,028	-	-	-	-	-	256,550	1,022,125	2,402,252
Amount over/(under) collateralized		\$ 18,856,055	-	-	-	-	-	131,550	147,125	1,527,252
Amount over/(under) collateralized & insured		\$ 19,336,142	86	-	-	20,200,039	1,533,200	381,550	397,125	1,777,252
Total book balance		\$ 53,517,234	86	4,562,622	4,815,000	25,165,985	2,784,652	500,000	2,000,000	2,000,000

*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, 2020**

Account Name	Account Type	White Sands Federal Credit Union	Firstlight 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*	\$ -	-	-	-	-	-	-	(3,300,348)	24,106,878
Property Tax	Checking*								81,867	2,418,945
Inmate Trust Fund	Checking*	-	-	-	-	-	-	-	(173,293)	56,794
Self Funded Health Insurance	Checking*	-	-	-	-	-	-	-	-	1,470,538
State Seizures	Money Market*	-	-	-	-	-	-	-	-	86
Debt Service Reserve	Reserves	-	-	-	-	-	-	-	-	4,562,622
Certificate of Deposits	Certificate of Deposits	250,000	2,011,785	1,000,000	3,250,000	3,000,000	250,000	-	-	37,287,548
Savings	Savings*	2,345	5	-	-	-	-	-	(1,702)	1,363,220
Money Market	Money Market*	-	-	-	-	-	-	-	-	15,900,366
US Treasury Notes and Bonds	Investment	-	-	-	-	-	-	-	-	2,789,819
County Bond	Investment	-	-	-	-	-	-	-	-	4,815,000
Municipal Bond	Investment	-	-	-	-	-	-	-	-	798,007
Federal Farm Credit	Investment	-	-	-	-	-	-	-	-	6,101,459
Federal Home Loan Bank	Investment	-	-	-	-	-	-	-	-	1,461,778
Federal National Mortgage	Investment	-	-	-	-	-	-	-	-	40,004
Fannie Mae/Freddie Mac	Investment	-	-	-	-	-	-	-	-	1,936,650
Petty cash	Petty Cash	-	-	-	-	-	-	8,912	-	8,912
Subtotal cash and investments		<u>252,345</u>	<u>2,011,790</u>	<u>1,000,000</u>	<u>3,250,000</u>	<u>3,000,000</u>	<u>250,000</u>	<u>8,912</u>	<u>(3,393,476)</u>	<u>105,118,626</u>
Total amount of deposit in bank		252,345	2,011,790	1,000,000	3,250,000	3,000,000	250,000	-		
FDIC coverage		(252,345)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	-		
Total uninsured public funds		-	1,761,790	750,000	3,000,000	2,750,000	-	-		
50% Collateral Requirement (Section 6-10-17 NMSA 1978)		-	880,895	375,000	1,500,000	1,375,000	-	-		
102% Collateral Requirement (Section 6-10-10(H) NMSA 1978)		-	-	-	-	-	-	-		
		-	880,895	375,000	1,500,000	1,375,000	-	-		
Pledged security at:										
Citizens Bank		-	-	-	-	-	-	-		
Century Bank		-	-	-	2,384,537	-	-	-		
First New Mexico Bank		-	-	-	-	-	-	-		
First American Bank		-	-	-	-	-	-	-		
First National Bank - Santa Fe (Sunflower Bank)		-	-	956,012	-	-	-	-		
First Savings Bank		-	-	-	-	1,527,553	-	-		
Firstlight Federal Credit Union		-	1,231,053	-	-	-	-	-		
Wells Fargo Bank, NA (Mellon Bank)		-	-	-	-	-	-	-		
Total collateral		-	1,231,053	956,012	2,384,537	1,527,553	-	-		
Amount over/(under) collateralized		\$ -	350,158	581,012	884,537	152,553	-	-		
Amount over/(under) collateralized & insured		\$ 252,345	600,158	831,012	1,134,537	402,553	250,000	-		
Total book balance		\$ 252,345	2,011,790	1,000,000	3,250,000	3,000,000	250,000	8,912		

*denotes interest bearing account

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF COLLATERAL
AS OF JUNE 30, 2020**

	CUSIP	Current Shares or Face Value	Coupon or Rate	Par or Market Value	Maturity Date
WELLS FARGO (MELLON BANK)					
FMAC FEPC	3131XL2S5	\$ 3,751,389	3.0000%	\$ 1,989,589	3/1/2043
FMAC FEPC	3131Y2SL3	783,800	4.0000%	451,424	8/1/2048
FMAC FEPC	3132A5EB7	971,014	3.5000%	438,466	9/1/2045
FMAC FEPC	3132A5HF5	44,154,046	3.5000%	28,331,534	8/1/2047
FNMA FNMS	3140K5JR9	1,613,787	3.0000%	1,661,857	2/1/2050
FNMA FNMS	31418B3U8	5,757,162	3.0000%	3,192,157	5/1/2036
		<u>\$ 57,031,198</u>		<u>\$ 36,065,028</u>	
FIRST NEW MEXICO BANK					
HOBBS NEW MEXICO SCHOOL DISTRICT	433866DS6	\$ 250,000	4.0000%	\$ 256,550	4/15/2025
FIRST AMERICAN BANK					
FHLB	619636ER0	\$ 125,583	3.5000%	\$ 129,155	10/15/2021
FHLB	085279UQ8	385,503	3.0000%	422,633	8/1/2026
FHLB	36179MU32	465,132	3.0000%	470,338	12/20/2027
		<u>\$ 976,219</u>		<u>\$ 1,022,125</u>	
CITIZENS BANK					
FHLB	3133X8EW8	\$ 2,000,000	5.3800%	\$ 2,402,252	8/15/2024
FIRSTLIGHT FEDERAL CREDIT UNION					
FEDERAL NAT MTG ASSN	3138WDU82	\$ 1,168,525	3.0000%	\$ 1,231,053	1/1/2030
FIRST NATIONAL BANK OF SANTA FE (SUNFLOWER BANK)					
FNR 2015-3 PC	3136AMNZ8	\$ 885,664	3.5000%	\$ 956,012	9/25/2044
CENTURY BANK					
ALAMOGORDO NM MUN SCH DIST 01	011464JY1	\$ 353,760	2.0000%	\$ 355,268	8/1/2021
COCOA FLA WTR & SWR REV	191783GG8	561,693	5.0000%	634,295	10/1/2037
NM STATE EDUCATIONAL ASSISTANCE	647110EQ4	234,115	3.5000%	237,284	12/1/2024
NEW YORK ST DORM AUTH ST PERS INCOME	64990ED20	1,072,258	5.0000%	1,157,690	2/15/2037
		<u>\$ 2,221,827</u>		<u>\$ 2,384,537</u>	
FIRST SAVINGS BANK					
FGLMC 10 YR	31306XQD8	\$ 65,821	2.5000%	\$ 68,021	9/1/2022
FGLMC 10 YR	31307BJW1	9,270	2.5000%	9,545	3/1/2023
FNMA 10 YR	31418BB54	18,993	3.0000%	19,560	4/1/2024
GNMA 15 YR	36176XE21	16,660	3.0000%	17,003	3/15/2027
FNMA 15 YR	3138MJWW5	47,200	3.0000%	48,804	11/1/2027
FNMA 15 YR	3138EKJA4	94,147	2.5000%	96,582	1/1/2028
FNMA 15 YR	3138EKJA4	56,207	2.5000%	57,661	1/1/2028
FNMA 15 YR.	3140J5EA3	134,609	2.5000%	139,827	12/1/2029
FGLMC 15 YR	3128ME4V0	98,266	2.5000%	101,583	1/1/2030
FGLMC 15 YR	3128ME4V0	44,220	2.5000%	45,712	1/1/2030
FGLMC 15 YR	3128MECV1	117,639	3.0000%	121,933	2/1/2030
FNMA 15 YR	3138ETU53	37,123	3.0000%	38,265	2/1/2030
GNR 2010-150 GJ	38377NLJ1	1,539	3.0000%	1,552	9/20/2039
FNR 2010-135 CH	31398SN66	5,114	3.0000%	5,230	4/25/2040
FNR 2010-135 CH	31398SN66	15,341	3.0000%	15,691	4/25/2040
FNR 2010-135 CH	31398SN66	25,568	3.0000%	26,152	4/25/2040
FNR 2014-37 GJ	3136AKGQ0	79,880	3.5000%	80,266	6/25/2042
FNR 2014-37 GJ	3136AKGQ0	59,910	3.5000%	60,199	6/25/2042
FHR 4505 PA	3137BKWM8	129,843	3.0000%	133,470	5/15/2044
GNR 2018-12 MG	38380UT52	242,828	3.0000%	248,350	7/20/2046
FNR 2019-28 CA	3136B4UV8	188,518	3.0000%	192,147	8/25/2048
		<u>\$ 1,488,695</u>		<u>\$ 1,527,553</u>	

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FUND BALANCES
AS OF JUNE 30, 2020**

	General Fund	Special Revenue Fund 23111 State Appropriations	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 7,265	-	-	-	7,265
Subtotal nonspendable	7,265	-	-	-	7,265
Restricted for:					
Detention center operations	-	-	-	370,108	370,108
Road/drainage improvements	807,679	-	-	3,340,954	4,148,633
Flood control projects	-	-	-	9,859,669	9,859,669
Airport	-	-	-	504,223	504,223
Debt service reserve	-	-	822,856	-	822,856
County clerk operations	-	-	-	212,583	212,583
Environmental projects	-	-	-	205,069	205,069
DWI enforcement and education	-	-	-	774,583	774,583
Public safety	-	-	-	463,961	463,961
Firefighting efforts and public safety	-	-	-	12,135,540	12,135,540
Law enforcement enhancement	-	-	-	106,521	106,521
Appraisal operations	-	-	-	691,643	691,643
Medicaid fund	-	-	-	3,818,449	3,818,449
Sustainable housing and economic developm	-	-	-	474,548	474,548
Infrastructure improvements	-	153,017	-	-	153,017
Health and welfare	-	-	-	7,893,875	7,893,875
Reserve requirement	23,454,534	-	-	-	23,454,534
Subtotal restricted	24,262,213	153,017	822,856	40,851,726	66,089,812
Committed to:					
Debt service	-	-	4,113	-	4,113
Public safety	3,753,618	-	-	-	3,753,618
Employee training and equipment	-	-	-	14,559	14,559
Crisis triage center	-	-	-	1,625,202	1,625,202
Road/water system improvements	17,259	-	-	-	17,259
Detention energy infrastructure project	-	-	-	4,826,538	4,826,538
Administrative building projects	-	-	-	3,234	3,234
Subtotal committed	3,770,877	-	4,113	6,469,533	10,244,523
Assigned to:					
Environmental projects	197,888	-	-	-	197,888
Public safety	4,183,432	-	-	-	4,183,432
Detention center operations	2,807,550	-	-	-	2,807,550
Road/drainage improvements	593,867	-	-	-	593,867
Health and welfare	568,446	-	-	14,086	582,532
Utilities	14,272	-	-	-	14,272
Other purposes	1,628,624	-	-	-	1,628,624
Subtotal assigned	9,994,079	-	-	14,086	10,008,165
Unassigned:	23,450,890	-	-	(338,264)	23,112,626
Total fund balances	\$ 61,485,324	153,017	826,969	46,997,081	109,462,391

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF RECONCILIATION OF
PROPERTY TAX RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2020**

Reconciliation of Property Taxes Receivable

Taxes receivable, beginning of year	\$ 10,888,244
2019 Allowance added back	103,320
2009 Tax year dropped off	(161,139)
2020 Property tax assessment	141,749,580
Tax roll corrections and adjustments, net	<u>(164,300)</u>
Subtotal - net taxes due	152,415,705

Less Taxes Collected:

Current	136,625,636
Delinquent	3,695,699
Taxes collected in advance applied to current year	<u>529,383</u>
Subtotal - net taxes collected	140,850,718

Total taxes to be collected 11,564,987

Allowance for uncollected taxes	<u>(108,708)</u>
Taxes receivable, end of year (net of allowance)	<u><u>\$ 11,456,279</u></u>

Property Taxes Receivable by Years:

2010	\$ 163,058
2011	178,853
2012	207,265
2013	251,584
2014	320,351
2015	402,786
2016	536,865
2017	1,101,481
2018	2,608,045
2019	<u>5,794,699</u>
Total taxes receivable	11,564,987

Allowance for uncollected taxes (108,708)

Taxes receivable, end of year, net of allowance \$ 11,456,279

STATE OF NEW MEXICO
DOÑA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

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	2019	\$ 46,142,226	44,237,464	44,237,463	43,790,327	44,237,463	421	421	17,901	-	1,886,441
General Ad Valorem	2018	44,362,985	1,038,671	43,501,432	1,407,032	43,501,432	-	5,670	8,045	-	847,838
General Ad Valorem	2017	43,000,271	433,132	42,625,246	402,674	42,625,246	-	1	3,525	-	371,499
General Ad Valorem	2016	41,733,460	88,375	41,554,571	181,603	41,554,571	-	642	1,676	-	176,571
General Ad Valorem	2015	41,033,090	26,433	40,899,539	31,709	40,899,539	-	(21)	1,256	-	132,316
General Ad Valorem	2014	39,789,706	14,336	39,683,193	17,682	39,683,193	-	-	1,001	-	105,512
General Ad Valorem	2013	38,735,795	9,404	38,652,735	10,840	38,652,735	2	2	781	-	82,277
General Ad Valorem	2012	37,494,163	5,501	37,426,296	6,679	37,426,296	3	3	638	-	67,226
General Ad Valorem	2011	35,994,638	4,038	35,936,138	4,895	35,936,138	-	-	550	-	57,950
General Ad Valorem	2010	35,490,203	4,035	35,437,267	4,791	35,437,267	-	2	498	-	52,436
TOTAL GENERAL AD VALOREM		403,776,537	45,861,389	399,953,880	45,858,232	399,953,880	426	6,720	35,871	-	3,780,066
County Debt Service	2019	450,782	432,313	432,313	427,960	432,313	4	4	174	-	18,291
County Debt Service	2018	480,711	11,198	471,475	15,154	471,475	-	56	86	-	9,094
County Debt Service	2017	467,492	4,707	463,510	4,386	463,510	-	-	37	-	3,945
County Debt Service	2016	457,875	954	455,872	1,979	455,872	-	7	19	-	1,977
County Debt Service	2015	466,676	318	465,114	382	465,114	-	-	15	-	1,547
County Debt Service	2014	336,892	131	335,967	160	335,967	-	-	9	-	916
County Debt Service	2013	383,896	99	383,051	113	383,051	-	-	8	-	837
County Debt Service	2012	554,251	88	553,224	106	553,224	-	-	10	-	1,017
County Debt Service	2011	560,564	68	559,635	81	559,635	-	-	9	-	920
County Debt Service	2010	572,582	72	571,726	84	571,726	-	-	8	-	848
TOTAL COUNTY DEBT SERVICE		4,731,721	449,948	4,691,887	450,405	4,691,887	4	67	375	-	39,392
Flood Levy	2019	2,738,617	2,600,148	2,600,147	2,567,833	2,600,147	1,182	1,182	1,290	-	135,998
Flood Levy	2018	2,576,142	71,114	2,507,147	89,596	2,507,147	-	3,873	612	-	64,510
Flood Levy	2017	2,466,097	30,974	2,433,472	29,227	2,433,472	-	-	307	-	32,318
Flood Levy	2016	2,357,246	5,725	2,340,896	13,147	2,340,896	-	1,106	143	-	15,101
Flood Levy	2015	2,313,877	2,199	2,301,842	2,744	2,301,842	-	(1)	113	-	11,923
Flood Levy	2014	2,228,148	1,234	2,218,488	1,656	2,218,488	-	-	91	-	9,569
Flood Levy	2013	2,185,893	831	2,178,181	990	2,178,181	-	-	72	-	7,640
Flood Levy	2012	2,057,139	437	2,051,090	536	2,051,090	-	-	57	-	5,992
Flood Levy	2011	1,951,868	384	1,946,855	473	1,946,855	-	-	47	-	4,966
Flood Levy	2010	1,882,214	394	1,877,991	454	1,877,991	-	-	40	-	4,183
TOTAL FLOOD LEVY		22,757,241	2,713,440	22,456,109	2,706,656	22,456,109	1,182	6,160	2,772	-	292,200
TOTAL DOÑA ANA COUNTY		431,265,499	49,024,777	427,101,876	49,015,293	427,101,876	1,612	12,947	39,018	-	4,111,658
MUNICIPALITIES:											
City of Las Cruces	2019	21,845,727	21,139,123	21,139,123	20,962,991	20,962,991	256	256	6,640	176,132	699,708
City of Las Cruces	2018	20,875,400	395,367	20,604,144	585,135	20,581,742	-	4,548	2,507	22,403	264,201
City of Las Cruces	2017	15,633,872	115,327	15,573,025	109,471	15,551,093	-	-	572	21,932	60,275
City of Las Cruces	2016	15,103,847	26,291	15,072,453	46,490	15,070,388	-	327	292	2,065	30,775
City of Las Cruces	2015	14,873,808	4,672	14,851,609	5,116	14,851,241	-	(4)	209	369	21,994
City of Las Cruces	2014	14,469,346	3,178	14,452,493	3,037	14,452,120	-	-	158	373	16,695
City of Las Cruces	2013	14,192,729	2,194	14,179,454	2,296	14,179,332	1	1	125	122	13,149
City of Las Cruces	2012	13,839,542	1,449	13,828,334	1,561	13,828,302	2	2	105	32	11,101
City of Las Cruces	2011	13,340,363	885	13,329,715	918	13,329,684	-	-	100	31	10,548
City of Las Cruces	2010	13,130,871	742	13,120,381	843	13,120,360	-	1	99	21	10,390
TOTAL CITY OF LAS CRUCES		157,305,505	21,689,228	156,150,731	21,717,858	155,927,253	259	5,131	10,807	223,480	1,138,836

STATE OF NEW MEXICO
DOÑA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

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	2019	118,604	111,669	111,669	110,305	111,669	-	-	65	-	6,870
Village of Hatch	2018	107,973	4,673	105,749	8,739	105,749	-	-	21	-	2,203
Village of Hatch	2017	99,368	1,264	98,839	1,295	98,839	-	-	5	-	524
Village of Hatch	2016	93,593	227	93,231	431	93,231	-	1	3	-	358
Village of Hatch	2015	93,117	49	92,872	142	92,872	-	-	2	-	243
Village of Hatch	2014	88,544	33	88,314	33	88,314	-	-	2	-	228
Village of Hatch	2013	86,891	32	86,676	32	86,676	-	-	2	-	213
Village of Hatch	2012	84,422	-	84,188	-	84,044	-	-	2	144	232
Village of Hatch	2011	76,556	-	76,331	-	76,069	-	-	2	261	223
Village of Hatch	2010	65,733	-	65,579	-	64,215	-	-	1	1,364	153
TOTAL VILLAGE OF HATCH		914,801	117,947	903,448	120,977	901,678	-	1	105	1,769	11,247
Town of Mesilla	2019	87,042	84,727	84,727	84,103	84,727	-	-	22	-	2,293
Town of Mesilla	2018	84,989	862	84,125	1,377	84,125	-	-	8	-	856
Town of Mesilla	2017	83,235	282	82,940	441	82,940	-	-	3	-	292
Town of Mesilla	2016	82,098	37	82,045	305	82,045	-	-	-	-	53
Town of Mesilla	2015	81,659	-	81,607	-	81,607	-	-	-	-	52
Town of Mesilla	2014	79,283	-	79,212	-	79,212	-	-	1	-	70
Town of Mesilla	2013	79,564	-	79,536	-	79,536	-	-	-	-	28
Town of Mesilla	2012	77,130	-	76,999	-	76,998	-	-	1	-	130
Town of Mesilla	2011	67,533	-	67,422	-	67,360	-	-	1	62	110
Town of Mesilla	2010	69,433	-	69,327	-	68,703	-	-	1	624	105
TOTAL TOWN OF MESILLA		791,966	85,908	787,940	86,226	787,253	-	-	37	686	3,989
City of Sunland Park	2019	1,869,981	1,778,648	1,778,648	1,756,889	1,778,648	2	2	859	-	90,472
City of Sunland Park	2018	1,810,263	55,799	1,764,080	70,465	1,764,075	-	14	434	4	45,735
City of Sunland Park	2017	1,763,718	23,319	1,749,043	20,538	1,749,021	-	-	138	22	14,537
City of Sunland Park	2016	1,643,633	2,354	1,633,883	7,450	1,633,883	-	7	92	-	9,651
City of Sunland Park	2015	1,634,026	717	1,626,494	1,090	1,626,484	-	-	71	10	7,461
City of Sunland Park	2014	1,558,713	471	1,552,394	545	1,552,360	-	-	59	34	6,260
City of Sunland Park	2013	1,351,639	292	1,346,515	376	1,346,361	-	-	48	154	5,076
City of Sunland Park	2012	1,196,050	338	1,192,062	381	1,187,528	-	-	37	4,534	3,951
City of Sunland Park	2011	507,389	89	505,821	116	503,248	-	-	15	2,573	1,553
City of Sunland Park	2010	501,831	100	500,557	136	478,797	-	-	12	21,759	1,262
TOTAL CITY OF SUNLAND PARK		13,837,243	1,862,127	13,649,497	1,857,986	13,620,405	2	23	1,765	29,090	185,958
City of Anthony	2019	192,811	179,495	179,495	177,953	177,953	29	29	125	1,542	13,162
City of Anthony	2018	-	-	-	-	-	-	-	-	-	-
City of Anthony	2017	-	-	-	-	-	-	-	-	-	-
City of Anthony	2016	-	-	-	-	-	-	-	-	-	-
City of Anthony	2015	-	-	-	-	-	-	-	-	-	-
City of Anthony	2014	-	-	-	-	-	-	-	-	-	-
City of Anthony	2013	-	-	-	-	-	-	-	-	-	-
City of Anthony	2012	-	-	-	-	-	-	-	-	-	-
City of Anthony	2011	-	-	-	-	-	-	-	-	-	-
City of Anthony	2010	-	-	-	-	-	-	-	-	-	-
TOTAL CITY OF ANTHONY		192,811	179,495	179,495	177,953	177,953	29	29	125	1,542	13,162
TOTAL MUNICIPALITIES		173,042,326	23,934,705	171,671,111	23,961,000	171,414,542	290	5,184	12,839	256,567	1,353,192

STATE OF NEW MEXICO
DOÑA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

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
SCHOOL DISTRICTS:											
Las Cruces PSD #2	2019	35,549,859	34,280,850	34,280,850	33,975,142	34,280,766	295	295	11,926	85	1,256,788
Las Cruces PSD #2	2018	34,203,649	682,139	33,686,893	971,967	33,686,745	-	5,126	4,809	148	506,821
Las Cruces PSD #2	2017	33,324,583	278,136	33,147,431	266,977	33,147,284	-	-	1,665	147	175,487
Las Cruces PSD #2	2016	32,363,179	58,306	32,264,548	113,068	32,264,266	-	500	922	282	97,209
Las Cruces PSD #2	2015	31,324,021	14,666	31,249,703	16,228	31,249,036	-	(18)	699	667	73,637
Las Cruces PSD #2	2014	30,512,355	8,032	30,454,461	8,290	30,453,195	-	-	544	1,266	57,350
Las Cruces PSD #2	2013	30,124,552	4,868	30,080,991	5,140	30,076,860	1	1	409	4,131	43,151
Las Cruces PSD #2	2012	29,801,965	3,210	29,765,385	3,344	29,714,999	2	2	344	50,386	36,234
Las Cruces PSD #2	2011	29,161,405	2,363	29,129,347	2,361	29,086,339	-	-	301	43,008	31,757
Las Cruces PSD #2	2010	29,479,759	1,886	29,449,653	1,992	29,143,945	-	2	283	305,709	29,821
TOTAL LAS CRUCES PSD #2		315,845,327	35,334,456	313,509,262	35,364,509	313,103,435	298	5,908	21,902	405,829	2,308,255
Hatch Valley SD #11	2019	1,080,704	1,015,560	1,015,560	1,002,489	1,015,560	42	42	612	-	64,490
Hatch Valley SD #11	2018	1,085,877	42,355	1,011,058	55,764	1,011,058	-	1	703	-	74,115
Hatch Valley SD #11	2017	1,077,618	12,805	974,441	12,494	974,441	-	-	970	-	102,207
Hatch Valley SD #11	2016	1,059,877	4,992	1,048,501	5,792	1,048,501	-	23	107	-	11,246
Hatch Valley SD #11	2015	1,020,856	1,969	1,016,260	2,375	1,016,260	-	-	43	-	4,553
Hatch Valley SD #11	2014	959,535	986	955,374	1,171	955,374	-	-	39	-	4,122
Hatch Valley SD #11	2013	938,145	1,184	934,151	1,184	933,859	-	-	38	291	3,956
Hatch Valley SD #11	2012	900,888	288	897,125	288	895,029	-	-	35	2,096	3,728
Hatch Valley SD #11	2011	870,825	173	867,449	173	865,033	-	-	32	2,416	3,344
Hatch Valley SD #11	2010	863,527	233	860,767	373	847,695	-	-	26	13,072	2,734
TOTAL HATCH VALLEY SD #11		9,857,852	1,080,545	9,580,686	1,082,103	9,562,810	42	66	2,605	17,875	274,495
Gadsden ISD #16	2019	16,033,614	15,094,236	15,094,236	14,881,242	15,093,792	207	207	8,828	444	930,343
Gadsden ISD #16	2018	15,764,993	535,586	15,298,461	645,309	15,298,059	-	158	4,384	402	461,990
Gadsden ISD #16	2017	15,211,054	244,642	15,027,086	214,074	15,026,759	-	1	1,729	327	182,238
Gadsden ISD #16	2016	14,731,465	42,027	14,605,409	106,136	14,605,106	-	255	1,183	302	124,618
Gadsden ISD #16	2015	14,366,155	19,120	14,269,234	25,216	14,268,554	-	-	911	681	96,010
Gadsden ISD #16	2014	13,698,990	10,755	13,620,659	15,907	13,619,974	-	-	736	685	77,595
Gadsden ISD #16	2013	12,965,973	6,855	12,902,182	8,835	12,899,572	-	-	600	2,610	63,191
Gadsden ISD #16	2012	12,464,889	4,335	12,413,307	6,108	12,356,282	-	-	485	57,025	51,097
Gadsden ISD #16	2011	12,031,880	3,350	11,987,049	4,810	11,956,550	-	-	421	30,499	44,410
Gadsden ISD #16	2010	11,969,228	4,367	11,929,579	5,302	11,716,584	-	-	373	212,995	39,276
TOTAL GADSDEN ISD #16		139,238,241	15,965,273	137,147,202	15,912,939	136,841,232	207	621	19,650	305,970	2,070,768
TOTAL SCHOOL DISTRICTS		464,941,420	52,380,274	460,237,150	52,359,551	459,507,477	547	6,595	44,157	729,674	4,653,518
NEW MEXICO DFA											
N. M. DFA	2019	6,335,238	6,074,955	6,074,955	6,007,130	6,074,901	62	62	2,446	54	257,775
N. M. DFA	2018	6,157,209	143,019	6,019,146	192,989	6,019,092	-	707	1,291	53	136,065
N. M. DFA	2017	6,029,009	59,517	5,939,272	55,458	5,939,225	-	-	844	47	88,893
N. M. DFA	2016	5,864,743	12,011	5,836,694	24,799	5,836,631	-	93	263	63	27,693
N. M. DFA	2015	5,846,032	3,924	5,823,761	4,681	5,823,613	-	5	209	148	22,057
N. M. DFA	2014	5,657,114	2,091	5,639,550	2,567	5,639,320	-	-	165	230	17,399
N. M. DFA	2013	5,515,118	1,355	5,502,270	1,554	5,501,463	-	-	121	807	12,727
N. M. DFA	2012	5,429,732	827	5,419,096	990	5,407,331	-	-	100	11,765	10,536
N. M. DFA	2011	5,274,994	619	5,265,780	737	5,257,168	-	-	87	8,613	9,127
N. M. DFA	2010	5,944,750	722	5,935,415	841	5,867,590	-	-	88	67,824	9,247
TOTAL NM DFA (LEVY & LVSTK)		58,053,939	6,299,040	57,455,939	6,291,746	57,366,334	62	867	5,614	89,604	591,519

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

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 BRANCH COMMUNITY COLLEGE:											
NMSU											
DABCC	2019	9,212,126	8,835,193	8,835,193	8,746,368	8,835,123	91	91	3,542	70	373,300
DABCC	2018	8,909,606	207,379	8,738,576	280,624	8,738,498	-	1,040	1,598	78	168,392
DABCC	2017	6,942,649	69,731	6,883,655	64,971	6,883,586	-	-	555	69	58,439
DABCC	2016	8,423,450	17,498	8,386,696	36,307	8,386,603	-	135	344	93	36,275
DABCC	2015	8,204,846	5,577	8,177,471	6,690	8,177,254	-	(4)	257	217	27,122
DABCC	2014	7,952,848	3,075	7,931,098	3,775	7,930,760	-	-	204	338	21,546
DABCC	2013	7,782,566	1,993	7,765,493	2,285	7,764,308	-	-	160	1,185	16,913
DABCC	2012	7,657,448	1,217	7,643,283	1,456	7,629,462	-	-	133	13,820	14,032
DABCC	2011	7,474,181	909	7,461,801	1,083	7,449,150	-	-	116	12,651	12,264
DABCC	2010	7,475,750	934	7,464,576	1,088	7,375,751	-	-	105	88,824	11,069
TOTAL DABCC - NMSU (OPER & DEBT)		80,035,470	9,143,506	79,287,842	9,144,647	79,170,495	91	1,262	7,014	117,345	739,352
WATERSHED DISTRICT											
McCleard WD	2019	3,692	3,683	3,683	3,369	3,683	-	-	-	-	9
McCleard WD	2018	3,577	575	3,568	628	3,568	-	-	-	-	9
McCleard WD	2017	3,397	414	3,387	414	3,387	-	-	-	-	10
McCleard WD	2016	4,351	-	4,338	-	4,338	-	-	-	-	13
McCleard WD	2015	4,915	-	4,902	-	4,902	-	-	-	-	13
McCleard WD	2014	4,854	-	4,841	-	4,841	-	-	-	-	13
McCleard WD	2013	4,879	-	4,866	-	4,866	-	-	-	-	13
McCleard WD	2012	4,928	-	4,928	-	4,928	-	-	-	-	-
McCleard WD	2011	4,786	-	4,786	-	4,786	-	-	-	-	-
McCleard WD	2010	4,803	-	4,803	-	4,489	-	-	-	314	-
TOTAL McCLEARD WD		44,182	4,672	44,102	4,411	43,788	-	-	-	314	80
SOIL & WATER CONSERVATION DISTRICT											
Caballo SWCD	2019	64,290	59,848	59,848	58,910	59,848	113	113	41	-	4,288
Caballo SWCD	2018	56,946	2,692	55,039	3,719	55,039	-	189	16	-	1,702
Caballo SWCD	2017	53,632	799	53,165	844	53,165	-	-	4	-	463
Caballo SWCD	2016	51,665	246	51,378	344	51,378	-	6	3	-	278
Caballo SWCD	2015	51,773	62	51,700	81	51,700	-	-	1	-	72
Caballo SWCD	2014	48,409	50	48,342	51	48,342	-	-	1	-	66
Caballo SWCD	2013	48,184	50	48,135	50	48,135	-	-	-	-	49
Caballo SWCD	2012	47,307	-	47,265	-	47,155	-	-	-	110	42
Caballo SWCD	2011	-	-	-	-	(129)	-	-	-	129	-
Caballo SWCD	2010	-	-	-	-	(937)	-	-	-	937	-
TOTAL CABALLO SWCD		422,206	63,747	414,872	63,999	413,696	113	308	66	1,176	6,960
TOTAL NMST, DABCC & WSD		138,555,797	15,510,965	137,202,755	15,504,803	136,994,313	266	2,437	12,694	208,439	1,337,911
GRAND TOTALS											
	2019	141,725,313	135,927,912	135,927,910	134,553,011	135,749,584	2,704	2,704	54,471	178,327	5,740,228
	2018	136,480,320	3,191,429	133,850,893	4,328,498	133,827,804	-	21,382	24,514	23,088	2,583,531
	2017	126,155,995	1,275,049	125,054,512	1,183,264	125,031,968	-	2	10,354	22,544	1,091,127
	2016	123,970,482	259,043	123,430,515	537,851	123,427,709	-	3,102	5,047	2,805	531,818
	2015	121,314,851	79,706	120,912,108	96,454	120,910,018	-	(43)	3,786	2,092	399,000
	2014	117,384,737	44,372	117,064,386	54,874	117,061,460	-	-	3,010	2,926	317,341
	2013	114,395,824	29,157	114,144,236	33,695	114,134,935	4	4	2,364	9,300	249,220
	2012	111,609,854	17,690	111,402,582	21,449	111,262,668	7	7	1,947	139,912	205,318
	2011	107,316,982	12,878	107,138,129	15,647	107,037,886	-	-	1,681	100,243	177,172
	2010	107,450,684	13,485	107,287,621	15,904	106,574,176	-	5	1,534	713,443	161,524
TOTALS		\$ 1,207,805,042	140,850,721	1,196,212,892	140,840,647	1,195,018,208	2,715	27,163	108,708	1,194,680	11,456,279

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

#	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	\$ 69,676	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	\$ 1,770,842	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	\$ 325,543	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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

#	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	\$ 15,664	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	\$ 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.	\$ 150,683	CRRUA	DAC/CRRUA

Legend:

CLC - City of Las Cruces
CRRUA - Camino Real Regional Utility Authority
CSP - City of Sunland Park
DAC - Doña Ana County
EBID - Elephant Butte Irrigation District
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

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Program Title	Federal CFDA Number	Project/ Pass-Through Number	Award Amount	Accrued or (Unearned) Revenue at June 30, 2019	Receipts	Expenditures	Accrued or (Unearned) Revenue at June 30, 2020	Passed Through to Subrecipients
U.S. Department of Health and Human Services								
Assisted Outpatient Treatment Grant Program (Year 3)	93.997	5H79SM063538-03	666,319	115,107	(347,746)	232,639	-	-
Assisted Outpatient Treatment Grant Program (Year 4)	93.997	5H79SM063538-04	789,315	-	(243,289)	421,103	177,814	133,472
Passed Through New Mexico Department of Health								
Prevent Prescription Drug/Opioid Overdose Grant (2019)	93.243	PDO-BF30	194,835	49,293	(80,874)	31,581	-	-
Prevent Prescription Drug/Opioid Overdose Grant (2020)	93.243	PDO-BF30	167,209	-	(160,935)	165,189	4,254	-
Opioid STR Grant	93.788	5H79TI080267-02	20,000	(1,577)	-	-	(1,577)	-
Opioid STR Grant (Year 2)	93.788	5H79TI080267-02	15,000	(7,395)	-	1,141	(6,254)	-
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			1,868,678	152,393	(832,844)	851,653	171,202	133,472
U.S. Department of Homeland Security								
Passed Through the New Mexico Department of Homeland Security and Emergency Management								
JAG Program								
State Homeland Security Grant EMPG	97.042	EMT-2018-EP-00006-S01-DAC	134,776	44,926	-	-	44,926	-
State Homeland Security Grant EMPG	97.042	EMT-2019-EP-00006-S01-DAC	118,686	-	(42,462)	109,255	66,793	-
Subtotal JAG Program			<u>253,462</u>	<u>44,926</u>	<u>(42,462)</u>	<u>109,255</u>	<u>111,719</u>	<u>-</u>
Homeland Security								
State Homeland Security Grant	97.067	* EMW-2017-SS-00032-S01-Dona Ana County	267,554	233,533	(233,533)	-	-	-
State Homeland Security Grant	97.067	* EMW-2018-SS-0056-S01	244,346	12,768	(179,666)	166,898	-	-
State Homeland Security Grant	97.067	* EMW-2017-SS-00105-DASO OPSG	750,000	177,429	(650,459)	473,030	-	-
State Homeland Security Grant	97.067	* EMW-2018-SS-00045-DASO OPSG	800,000	-	(113,649)	302,507	188,858	163,872
Hazard Mitigation								
State Homeland Security Grant	97.039	FEMA-4199-DR-NM-014	77,499	(606)	-	12,650	12,044	-
State Homeland Security Grant	97.047	FEMA-PDMC-PL-06-NM-2017-08	60,000	-	-	27,819	27,819	-
Asylum Seekers Grant	97.052	DAC 19-183	250,000	113,763	(250,000)	136,237	-	-
FEMA Public Assistance Category B COVID-19	97.036	136618-4529DR	181,805	-	(77,916)	122,685	44,769	-
Total U.S. Department of Homeland Security			2,884,666	581,813	(1,547,685)	1,351,081	385,209	163,872
U.S. Department of Justice								
Edward Byrne Memorial JAG-Smart Investigations	16.738	2016-DJ-BX-0628	18,125	-	(17,663)	17,663	-	-
Comprehensive Opioid Abuse Site-based Program (Year 1)	16.838	2019-AR-BX-K078	899,654	-	-	4,882	4,882	-
Federal Bureau of Investigation:								
Organized Crime Drug Enforcement Task Forces	16.111	SW-NM-0345 H	28,800	3,361	(6,461)	3,100	-	-
Organized Crime Drug Enforcement Task Forces	16.111	SW-NM-0365	28,800	-	(4,170)	4,170	-	-
Organized Crime Drug Enforcement Task Forces	16.111	SW-NM-0327	5,000	5,000	(5,000)	-	-	-
Organized Crime Drug Enforcement Task Forces	16.111	SW-NM-0367	8,000	-	-	7,770	7,770	-
Drug Enforcement Administration:								
DEA Projects	16.111	N/A	55,031	2,715	(7,567)	4,693	(159)	-
DEA Projects	16.111	N/A	55,031	-	(8,374)	9,810	1,436	-
Total U.S. Department of Justice			1,126,134	11,076	(49,235)	52,088	13,929	-
U.S. Department of Transportation								
Federal Aviation Administration:								
Airport Improvements								
Pavement Drainage Improvements	20.106	* #3-35-0055-025-2019	4,908,753	-	(3,579,429)	4,483,232	903,803	-
Passed through NM State Highway and Transportation Department								
NMDOT TAP Funds-Lisa Drive	20.205	D16096-E100280/E100290 NMDOT TAP-Lisa Dr	91,063	-	(59)	2,056	1,997	-
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	19-PT-02-031	47,016	21,824	(42,539)	20,715	-	-
STEP GRANT	20.600	20-PT-RF-031	47,027	-	(19,173)	32,784	13,611	-
Subtotal Highway Safety Cluster			<u>94,043</u>	<u>21,824</u>	<u>(61,712)</u>	<u>53,499</u>	<u>13,611</u>	<u>-</u>
ENDWI (FY19-FY20)	20.608	19-AL-64-031	38,016	5,074	(17,150)	12,076	-	-
ENDWI (FY20-FY21)	20.608	20-AL-64-031	46,576	-	(19,918)	19,918	-	-
Traffic and Criminal Software (TraCS)	20.608	16-HE-64-P01, P03, P04	527,020	24,341	(131,168)	159,318	52,491	-
BCKL-UP	20.608	20-OP-RF-031	10,004	-	(1,919)	1,919	-	-
Total U.S. Department of Transportation			5,797,176	53,189	(3,811,355)	4,732,018	973,852	-
U.S. Environmental Protection Agency								
Vado Lift Station #7 and Sleepy Farms	66.202	TAA-010NADBC-19-127	13,985	3,834	(11,013)	7,179	-	-
Vado Lift Station #7 and Sleepy Farms	66.202	TAA-010NADBC-19-127	337,935	-	(15,443)	44,204	28,761	-
Total U.S. Environmental Protection Agency			351,920	3,834	(26,456)	51,383	28,761	-
Total Federal Expenditures			\$ 16,488,324	802,305	(6,267,575)	7,038,223	1,572,953	297,344

* denotes major program

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

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

Federal grant revenue per fund financials	\$ 7,038,223
Federal expenditures per SEFA	<u>7,038,223</u>
Difference	<u><u>-</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, 2020.

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>
New Mexico Department of Public Safety (State Police)	97.067	EMW-2018-SS-00056-DASO OPSG	\$ 161,259
Village of Hatch	97.067	EMW-2018-SS-00056-DASO OPSG	2,613
New Mexico State University	93.997	5H79SM063538-04	<u>133,472</u>
Total funds provided to subrecipients			<u><u>\$ 297,344</u></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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 30, 2020.

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.

November 30, 2020

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

We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003.

The County's Response to Findings

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

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
November 30, 2020

**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, 2020. 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 a 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. We did identify a certain deficiency in

November 30, 2020

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

internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-002 that we consider to be a significant deficiency.

The County's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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.

Hinkle + Landers, P.C.

Albuquerque, NM

November 30, 2020

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

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:

<u>CFDA Number</u>	<u>Name of Federal Programs or Cluster</u>	<u>Federal Funding Source</u>
20.106	Airport Improvements	U.S. Department of Transportation
97.067	State Homeland Security Grant	U.S. Department of Homeland Security

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
FOR THE YEAR ENDED JUNE 30, 2020**

Findings				
Reference #	Description	Current or Prior Year Finding	Status of Findings	Type of Finding*
2019-001	Non-Compliance With New Mexico State Statutes Over Additional Appraiser Certification Compensation	Prior Year Finding	Resolved	C, G
2020-001	Vendor Controls	Current Year	New	B
2020-002	Federal Subgrantee Reporting Compliance	Current Year	New	E, F
2020-003	Unclaimed Property	Current Year	New	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

2020-001 – Vendor Controls

Type of Finding: (B) Significant Deficiency in Internal Control Over Financial Reporting

Statement of Condition

On April 23, 2020, an email was received from the apparent President of a current County vendor sent to the County Accounts Payable Specialists asking to change their business address; which included an attached completed W-9 with EIN number and signature. After later review of the email address, the address was slightly different from the vendors address. The vendor wanted the address changed from Albuquerque to Las Cruces. The request was forwarded by the Accounts Payable Specialist to the Purchasing Secretary with attachments, whose responsibility was to verify the information and follow the new procedures, prior to making any changes. The Purchasing Secretary failed to follow procedures; which required calling the vendor, completing a Change in Payment Request Form and obtaining manager's approval prior to any system changes. The mailing address was changed.

Additionally, on April 28, 2020, an email was received from the same apparent President asking the Accounts Payable Specialist for the form to change the ACH direct deposit information. The Accounts Payable Specialist replied to the email with the required forms. They filled and returned the forms; along with a completed W-9 and letter from the new Credit Union. The Accounts Payable Specialist forwarded the information with attachments to the Purchasing Secretary on April 28th.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

The Purchasing Secretary received the information on and made the changes in the Banner system. The Purchasing Secretary failed to follow procedures; which required calling the vendor, completing a Change in Payment Request Form and obtaining manager's approval prior to any system changes. The ACH banking information was changed.

The following transactions then occurred:

- On May 15, 2020 a check for \$531,373.99 was mailed to the incorrect updated address.
- On May 22, 2020 an ACH payment of \$345,255.77 was transferred to the fraudulent account.

On May 28, 2020 the vendor contracted the County Jetport department by email reporting that they had not received payments as expected. On June 4, 2020 the County Jetport department informed the County Accounts Payable Manager, who called the vendor and informed the vendor the County records indicated a change to the ACH payment information and mailing address. The vendor then informed the County they did not make any requests. The County immediately reported the incidents to law enforcement and the New Mexico Office of the State Auditor.

The County issued a stop payment on the \$531,373.99 mailed check and subsequently the physical check was received by law enforcement.

Of the remaining ACH funds of \$345,255.77, \$344,395.51 has been collected through bank recovery and an insurance claim, with the remaining \$860.26 being deemed a loss.

Criteria

The County's Security Protocol Plan for changes to current vendors, at the date of the incident is as follows:

1. The County calls the vendor to confirm a request to change the information.
2. The County sends a W-9, ACH form (which requires a new voided blank check).
3. The County then prepares a Change in Payment Request Form, which includes information about the requested change and requires a Supervisor's Signature.
4. Only after the completion of the previous items, the change to the vendor file will be made in the County system, Banner.

Cause

The County did not follow their policies and procedures for changing information in a vendor file.

Effect

Due to breakdown in controls, the County paid a total of \$876,629.76 to a fraudulent person. After recoveries the County's loss was only \$860.26. However, the County could have lost entire amount.

When controls are not followed, the risk increases that a loss or misappropriation of public funds may occur and not be detected in a timely manner.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Recommendation

The County implemented an updated Security Protocol Plan in July 2020, which includes additional segregation of duties and procedures. The County is following the updated policy and procedures. We recommend the County continue to follow the updated policy and procedures. The County is holding the recommended trainings including refresher training for Finance employees and specific training for the Accounts Payable, Purchasing, and Payroll employees on a quarterly basis. We recommend the County continue to hold the trainings.

Management Response

Because of potential fraud concerns, the County implemented additional procedures in vendor controls in February 2020. The additional procedures required the County to call a vendor who requested a change in their information to confirm the request prior to making the change. This procedure was not properly followed. The County implemented the current Security Protocol Plan procedures in July 2020, which includes additional protection by calling both the individual vendor and the bank before changes are made to vendor information. Procedures were implemented for closer supervision of employees to ensure policies and procedures for changing information in a vendor file are followed. With the new Security Protocol Plan, the department is providing the strongest protection controls. These changes are responsive to the auditor's concerns.

Security Protocol Plan

The County has updated the Security Protocol Plan, policy and procedures that are provided to the auditors. The County is strictly adhering to the updated policy and procedures.

Previously, verification from vendor was required. We have made improvements to the revised process plan requiring verification from both the vendor and the bank before a change is made to vendor records. There is additional segregation of duties. The procedures include the following:

- New verification process steps (implemented on July 24, 2020).
 - Administrative Assistant: Maintains vendor log, verifies documents are complete.
 - Purchasing Manager or designee: Verifies all documents. Calls vendor contact in Banner, on Contract, from website or other but not the same person requesting the ACH and verifies authorization. Documents the call and if passes verification forwards to Accounts Payable Manager.
 - Accounts Payable Manager or designee: Calls bank to verify bank information, calls vendor to verify Purchasing Manager or designee made the required call. Forwards to Purchasing for ACHs setup.
- Address verification for checks over \$100,000 and for Grey forms is a new requirement.
- Enrollment/cancellation/revision ACH form is revised for new and existing vendors. Requires the submittal of an updated W-9 and voided check or bank verification letter.
- Vendors are encouraged to use ACH instead of checks.
- Information Technology (IT) added triggers in Banner, starting October 15, 2020, to provide notification of ACH changes for vendors. Email alerts are sent to Purchasing

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Manager and Accounts Payable Manager. This allows for closer supervision of employees to ensure policies and procedures for changing information in a vendor file are followed.

Training

The County held a detailed training for all Finance employees on August 28, 2020 and holds refresher specific training for the Accounts Payable, Purchasing, and Payroll employees on a quarterly basis.

One-hour Finance Security Protocol training was held on August 28, 2020, presented by the Financial Services Director, IT Director and Purchasing Manager. All Finance staff were required to attend the training. The total in-person attendees were twenty-four and Webex attendees were six. A recorded session was provided to the two Finance employees who were on leave and they completed the training. The training covered examples of fraud incidents, password and email security, internal controls, point of contacts, updated process, vendor verification and the use of forms.

Purchasing Manager conducted a refresher training on October 29, 2020 on cyber fraud with a video and power point slides from the August Finance Security Protocol training. There were eight attendees that comprised of all Purchasing staff. Accounts Payable and Payroll had one-on-one refresher training with all the employees from October 9 through October 13, 2020.

Finding resolved timeline:

Security Protocol Plan

Implemented on July 24, 2020 and will continue using through June 30, 2021 and beyond.

Training

Implemented on August 28, 2020 and will continue using through June 30, 2021 and beyond. Below is the training schedule:

- January 2021 – Quarterly refresher training – Purchasing, Accounts Payable and Payroll
- April 2021 - Quarterly refresher training – Purchasing, Accounts Payable and Payroll
- July 2021 - Quarterly refresher training – Purchasing, Accounts Payable and Payroll
- September 2021 – Annual training for all Finance staff

Designation of employee position responsible for meeting this deadline:

Security Protocol Plan

Purchasing Manager, Payroll and Accounts Payable Manager

Training

Financial Services Director, Purchasing Manager, Payroll and Accounts Payable Manager

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

2020-002 – Federal Subgrantee Reporting Compliance

Type of Finding: (E and F): Significant Deficiency in Internal Control over Compliance of Federal Awards and Instance of Noncompliance related to Federal Awards

Funding Agency: U.S. Department of Homeland Security and Emergency Management

Title: State Homeland Security Grants

CFDA: 97.067

Award#: Multiple

Award Period: Multiple

Estimated Questioned Costs: N/A

Statement of Condition

During testing of the major program, State Homeland Security Grants, there were the following issues noted with New Mexico State Department of Homeland Security and Emergency Management (NMDHSEM) subgrantee reporting requirements:

- The “Final Narrative Report” report was not completed for the EMW-2017-SS-00032-S01-Dona Ana County grant, which would have been due within 45 days of performance end date of September 30, 2019.
- The “Final Narrative Report” report was not completed for the EMW-2017-SS-00105-S01-Dona Ana County OPSG grant, which would have been due within 45 days of performance end date of December 31, 2019.

Criteria

Per the Sub-Grant Agreement:

- Final Narrative Report is a summary report, evaluating project activities and measuring performance against project goals and objectives for the entire performance period, and is required in addition to the last quarter report. The final report is due 45 days after the end of Period of Performance.

Cause

Due to staff changes, training regarding final narrative completion was not communicated to the incoming staff member.

Effect

The County is not reporting the financial status of their projects to their grantor, which could cause additional non-compliance issues with the grant.

Recommendation

We recommend the County complete and submit the Final Narrative Report for the two 2017 grants. Additionally, we recommend the County complete and file their reports by the deadlines as required by the subgrantee agreement.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Management Response

- Copies of Quarterly Performance Progress Reports for the EMW-2017-SS-00032-S01-Dona Ana County grant have been provided to the auditors. The Final Narrative Report for EMW-2017-SS-00032-S01-Dona Ana County grant contain similar information as Quarterly Performance Progress Reports. The grant has been closed; however, a Final Narrative will be forwarded for the 2017 SHSGP per auditor request. OEM staff has implemented internal processes and will continue to be in contact with DHSEM regarding required reporting and timelines in order to be in compliance with grant requirements. The County will complete and file their reports by the deadlines as required by the subgrantee agreement.
- The Quarterly Performance Progress Reports for the EMW-2017-SS-00105-S01-OPSG grant has been provided to the US Border Patrol (USBP) and Division of Homeland Security and Emergency Management (DHSEM) through the Homeland Security Information Network (HSIN). The Final Narrative Report for EMW-2017-SS-00105-S01 OPSG grant contain similar information as Quarterly Performance Progress Reports. The grant has been closed, however a Final Narrative Report for EMW-2017-SS-00105-S01 OPSG grant has been prepared on 11-25-2020 and forwarded to granting agency per auditor request. The County will complete and file their reports by the deadlines as required by the subgrantee agreement.

Finding resolved timeline:

- The 2017-SS-00032-S01-Dona Ana County (SHSGP) final narrative will be submitted to DHSEM by December 14, 2020.
- The EMW-2017-SS-00105-S01 OPSG final narrative was submitted to DHSEM 11-30-2020.

Designation of employee position responsible for meeting this deadline:

- OEM Secretary (TA-EM Specialist)
- Border Operation Support Coordinator

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

2020-003 – UNCLAIMED PROPERTY

Type of Finding: (C and G)—Finding that Does Not Rise to the Level of a Significant Deficiency (Other Matters) Involving Internal Control Over Financial Reporting and Non-Compliance with State Audit Rule, NM State Statutes, NMAC, or other entity compliance

Statement of Condition

As of June 30, 2020, the County had \$13,723.59 in outstanding checks in their main operating account, which were dated prior to July 1, 2019. The County did not follow their policy to clear outstanding balances each year, as their policy requires.

Criteria

Per the Uniform Unclaimed Property Act Section 7-8A-1 through 7-8A-31 NMSA 1978, stale-dated checks should be reported to the State of New Mexico on a regular basis.

Per the County's Policy on Unclaimed Property:

- Every month a report on outstanding checks over two months old will be generated.
- An effort to locate the owners of the checks which are one-year outstanding will be made.
- If the owner is located, the check will be voided, and a new check issued.
- If the owner is not found, due diligence will be done as required by the NM Unclaimed Property Act state statute 7-8A-7.
- A report on unclaimed property will be filed before November 1 of each year and cover the twelve months preceding July 1 of that year, as required by state statute 7-8A-7. A list of owners of unclaimed property should accompany the report and be submitted to the Unclaimed Report Office of the Taxation and Revenue Department.

Cause

The County has been working to determine what makes up the outstanding balances on their bank reconciliations and was not able to determine all outstanding balances timely.

Effect

Reasonable efforts to return funds that do not belong to the County are not being performed as required by state statute and County policy.

Recommendation

As of October 30, 2020, the County has updated their policy for outstanding checks. We recommend the County research outstanding checks in County bank accounts timely and follow their policy for dispositioning unclaimed checks.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Management Response

The County has a policy per the Uniform Unclaimed Property Act since 2009 per section 7-8A-1 through 7-8A-31 NMSA 1978. A copy of the policy has been provided to the auditors. Also, the County reports and transfers unclaimed checks to the State of New Mexico on a regular basis. Copies of the reports have been provided to the auditors.

Unclaimed Property tax checks require more attention and proper rules must be adhered to; we do not want to provide the checks to Unclaimed Property without proper research and proper decision. We have updated the policy for unclaimed property that was approved and enacted in 2009. This updated policy is in effect and provides a clear timeline and procedure for the disposition of checks. In addition, the office has reviewed and identified check owners that still have property tax liabilities. Since we are done with our research, the office will disposition these funds back to the owner by providing a credit to their tax liability instead of transferring to unclaimed property. For any owners that have not been identified, the office will ensure that the outstanding funds be sent to the State no later than November 1, 2021 per the Uniform Unclaimed Property Act.

Finding resolved timeline: November 1, 2021

Designation of employee position responsible for meeting this deadline: Treasurer's staff including, Administrative Assistant and the Accountant III. County Chief Deputy Treasurer shall supervise the course of action.

**STATE OF NEW MEXICO
DOÑA ANA COUNTY
OTHER DISCLOSURES
YEAR ENDED JUNE 30, 2020**

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 November 30, 2020. The following individuals were in attendance.

Doña Ana County Officials

Lynn Ellins	Chair, County Commissioner District 1
Manuel Sanchez	Vice-Chair, County Commissioner District 5
Eric L. Rodriguez	County Treasurer
Fernando R. Macias	County Manager
Chuck McMahon	Assistant County Manager
Robert J. Thompson	Assistant County Manager
Asma J. Dawood	Financial Services Director
Nasreen Nelson, CPA, CGMA	Controller
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



2020-001 – Vendor Controls

Type of Finding: (B) Significant Deficiency in Internal Control Over Financial Reporting

Statement of Condition

On April 23, 2020, an email was received from the apparent President of a current County vendor sent to the County Accounts Payable Specialists asking to change their business address; which included an attached completed W-9 with EIN number and signature. After later review of the email address, the address was slightly different from the vendors address. The vendor wanted the address changed from Albuquerque to Las Cruces. The request was forwarded by the Accounts Payable Specialist to the Purchasing Secretary with attachments, whose responsibility was to verify the information and follow the new procedures, prior to making any changes. The Purchasing Secretary failed to follow procedures; which required calling the vendor, completing a Change in Payment Request Form and obtaining manager's approval prior to any system changes. The mailing address was changed.

Additionally, on April 28, 2020, an email was received from the same apparent President asking the Accounts Payable Specialist for the form to change the ACH direct deposit information. The Accounts Payable Specialist replied to the email with the required forms. They filled and returned the forms; along with a completed W-9 and letter from the new Credit Union. The Accounts Payable Specialist forwarded the information with attachments to the Purchasing Secretary on April 28th.

The Purchasing Secretary received the information on and made the changes in the Banner system. The Purchasing Secretary failed to follow procedures; which required calling the vendor, completing a Change in Payment Request Form and obtaining manager's approval prior to any system changes. The ACH banking information was changed.

The following transactions then occurred:

- On May 15, 2020 a check for \$531,373.99 was mailed to the incorrect updated address.
- On May 22, 2020 an ACH payment of \$345,255.77 was transferred to the fraudulent account.

On May 28, 2020 the vendor contracted the County Jetport department by email reporting that they had not received payments as expected. On June 4, 2020 the County Jetport department informed the County Accounts Payable Manager, who called the vendor and informed the vendor

the County records indicated a change to the ACH payment information and mailing address. The vendor then informed the County they did not make any requests. The County immediately reported the incidents to law enforcement and the New Mexico Office of the State Auditor.

The County issued a stop payment on the \$531,373.99 mailed check and subsequently the physical check was received by law enforcement.

Of the remaining ACH funds of \$345,255.77, \$344,395.51 has been collected through bank recovery and an insurance claim, with the remaining \$860.26 being deemed a loss.

Criteria

The County's Security Protocol Plan for changes to current vendors, at the date of the incident is as follows:

1. The County calls the vendor to confirm a request to change the information.
2. The County sends a W-9, ACH form (which requires a new voided blank check).
3. The County then prepares a Change in Payment Request Form, which includes information about the requested change and requires a Supervisor's Signature.
4. Only after the completion of the previous items, the change to the vendor file will be made in the County system, Banner.

Cause

The County did not follow their policies and procedures for changing information in a vendor file.

Effect

Due to breakdown in controls, the County paid a total of \$876,629.76 to a fraudulent person. After recoveries the County's loss was only \$860.26. However, the County could have lost entire amount.

When controls are not followed, the risk increases that a loss or misappropriation of public funds may occur and not be detected in a timely manner.

Recommendation

The County implemented an updated Security Protocol Plan in July 2020, which includes additional segregation of duties and procedures. The County is following the updated policy and procedures. We recommend the County continue to follow the updated policy and procedures. The County is holding the recommended trainings including refresher training for Finance employees and specific training for the Accounts Payable, Purchasing, and Payroll employees on a quarterly basis. We recommend the County continue to hold the trainings.

View of Responsible Officials and Corrective Action Plan

Because of potential fraud concerns, the County implemented additional procedures in vendor controls in February 2020. The additional procedures required the County to call a vendor who requested a change in their information to confirm the request prior to making the change. This

procedure was not properly followed. The County implemented the current Security Protocol Plan procedures in July 2020, which includes additional protection by calling both the individual vendor and the bank before changes are made to vendor information. Procedures were implemented for closer supervision of employees to ensure policies and procedures for changing information in a vendor file are followed. With the new Security Protocol Plan, the department is providing the strongest protection controls. These changes are responsive to the auditor's concerns.

Security Protocol Plan

The County has updated the Security Protocol Plan, policy and procedures that are provided to the auditors. The County is strictly adhering to the updated policy and procedures.

Previously, verification from vendor was required. We have made improvements to the revised process plan requiring verification from both the vendor and the bank before a change is made to vendor records. There is additional segregation of duties. The procedures include the following:

- New verification process steps (implemented on July 24, 2020).
 - Administrative Assistant: Maintains vendor log, verifies documents are complete.
 - Purchasing Manager or designee: Verifies all documents. Calls vendor contact in Banner, on Contract, from website or other but not the same person requesting the ACH and verifies authorization. Documents the call and if passes verification forwards to Accounts Payable Manager.
 - Accounts Payable Manager or designee: Calls bank to verify bank information, calls vendor to verify Purchasing Manager or designee made the required call. Forwards to Purchasing for ACHs setup.
- Address verification for checks over \$100,000 and for Grey forms is a new requirement.
- Enrollment/cancellation/revision ACH form is revised for new and existing vendors. Requires the submittal of an updated W-9 and voided check or bank verification letter.
- Vendors are encouraged to use ACH instead of checks.
- Information Technology (IT) added triggers in Banner, starting October 15, 2020, to provide notification of ACH changes for vendors. Email alerts are sent to Purchasing Manager and Accounts Payable Manager. This allows for closer supervision of employees to ensure policies and procedures for changing information in a vendor file are followed.

Training

The County held a detailed training for all Finance employees on August 28, 2020 and holds refresher specific training for the Accounts Payable, Purchasing, and Payroll employees on a quarterly basis.

One-hour Finance Security Protocol training was held on August 28, 2020, presented by the Financial Services Director, IT Director and Purchasing Manager. All Finance staff were required to attend the training. The total in-person attendees were twenty-four and Webex attendees were six. A recorded session was provided to the two Finance employees who were on leave and they completed the training. The training covered examples of fraud incidents, password and email security, internal controls, point of contacts, updated process, vendor verification and the use of forms.

Purchasing Manager conducted a refresher training on October 29, 2020 on cyber fraud with a video and power point slides from the August Finance Security Protocol training. There were eight attendees that comprised of all Purchasing staff. Accounts Payable and Payroll had one-on-one refresher training with all the employees from October 9 through October 13, 2020.

Finding resolved timeline:

Security Protocol Plan

Implemented on July 24, 2020 and will continue using through June 30, 2021 and beyond.

Training

Implemented on August 28, 2020 and will continue using through June 30, 2021 and beyond. Below is the training schedule:

- January 2021 – Quarterly refresher training – Purchasing, Accounts Payable and Payroll
- April 2021 - Quarterly refresher training – Purchasing, Accounts Payable and Payroll
- July 2021 - Quarterly refresher training – Purchasing, Accounts Payable and Payroll
- September 2021 – Annual training for all Finance staff

Designation of employee position responsible for meeting this deadline:

Security Protocol Plan

Purchasing Manager, Payroll and Accounts Payable Manager

Training

Financial Services Director, Purchasing Manager, Payroll and Accounts Payable Manager

2020-002 – Federal Subgrantee Reporting Compliance

Type of Finding: (E and F): Significant Deficiency in Internal Control over Compliance of Federal Awards and Instance of Noncompliance related to Federal Awards

Funding Agency: U.S. Department of Homeland Security and Emergency Management

Title: State Homeland Security Grants

CFDA: 97.067

Award#: Multiple

Award Period: Multiple

Estimated Questioned Costs: N/A

Statement of Condition

During testing of the major program, State Homeland Security Grants, there were the following issues noted with New Mexico State Department of Homeland Security and Emergency Management (NMDHSEM) subgrantee reporting requirements:

- The “Final Narrative Report” report was not completed for the EMW-2017-SS-00032-S01-Dona Ana County grant, which would have been due within 45 days of performance end date of September 30, 2019.
- The “Final Narrative Report” report was not completed for the EMW-2017-SS-00105-S01-Dona Ana County OPSG grant, which would have been due within 45 days of performance end date of December 31, 2019.

Criteria

Per the Sub-Grant Agreement:

- Final Narrative Report is a summary report, evaluating project activities and measuring performance against project goals and objectives for the entire performance period, and is required in addition to the last quarter report. The final report is due 45 days after the end of Period of Performance.

Cause

Due to staff changes, training regarding final narrative completion was not communicated to the incoming staff member.

Effect

The County is not reporting the financial status of their projects to their grantor, which could cause additional non-compliance issues with the grant.

Recommendation

We recommend the County complete and submit the Final Narrative Report for the two 2017 grants. Additionally, we recommend the County complete and file their reports by the deadlines as required by the subgrantee agreement.

View of Responsible Officials and Corrective Action Plan

- Copies of Quarterly Performance Progress Reports for the EMW-2017-SS-00032-S01-Dona Ana County grant have been provided to the auditors. The Final Narrative Report for EMW-2017-SS-00032-S01-Dona Ana County grant contain similar information as Quarterly Performance Progress Reports. The grant has been closed; however, a Final Narrative will be forwarded for the 2017 SHSGP per auditor request. OEM staff has implemented internal processes and will continue to be in contact with DHSEM regarding required reporting and timelines in order to be in compliance with grant requirements. The County will complete and file their reports by the deadlines as required by the subgrantee agreement.
- The Quarterly Performance Progress Reports for the EMW-2017-SS-00105-S01-OPSG grant has been provided to the US Border Patrol (USBP) and Division of Homeland Security and Emergency Management (DHSEM) through the Homeland Security Information Network (HSIN). The Final Narrative Report for EMW-2017-SS-00105-S01 OPSG grant contain similar information as Quarterly Performance Progress Reports. The grant has been closed, however a Final Narrative Report for EMW-2017-SS-00105-S01 OPSG grant has been prepared on 11-25-2020 and forwarded to granting agency per auditor request. The County will complete and file their reports by the deadlines as required by the subgrantee agreement.

Finding resolved timeline:

- The 2017-SS-00032-S01-Dona Ana County (SHSGP) final narrative was submitted to DHSEM.
- The EMW-2017-SS-00105-S01 OPSG final narrative was submitted to DHSEM 11-30-2020.

Designation of employee position responsible for meeting this deadline:

- OEM Secretary (TA-EM Specialist)
- Border Operation Support Coordinator

2020-003 – UNCLAIMED PROPERTY

Type of Finding: (C and G)—Finding that Does Not Rise to the Level of a Significant Deficiency (Other Matters) Involving Internal Control Over Financial Reporting and Non-Compliance with State Audit Rule, NM State Statutes, NMAC, or other entity compliance

Statement of Condition

As of June 30, 2020, the County had \$13,723.59 in outstanding checks in their main operating account, which were dated prior to July 1, 2019. The County did not follow their policy to clear outstanding balances each year, as their policy requires.

Criteria

Per the Uniform Unclaimed Property Act Section 7-8A-1 through 7-8A-31 NMSA 1978, stale-dated checks should be reported to the State of New Mexico on a regular basis.

Per the County's Policy on Unclaimed Property:

- Every month a report on outstanding checks over two months old will be generated.
- An effort to locate the owners of the checks which are one-year outstanding will be made.
- If the owner is located, the check will be voided, and a new check issued.
- If the owner is not found, due diligence will be done as required by the NM Unclaimed Property Act state statute 7-8A-7.
- A report on unclaimed property will be filed before November 1 of each year and cover the twelve months preceding July 1 of that year, as required by state statute 7-8A-7. A list of owners of unclaimed property should accompany the report and be submitted to the Unclaimed Report Office of the Taxation and Revenue Department.

Cause

The County has been working to determine what makes up the outstanding balances on their bank reconciliations and was not able to determine all outstanding balances timely.

Effect

Reasonable efforts to return funds that do not belong to the County are not being performed as required by state statute and County policy.

Recommendation

As of October 30, 2020, the County has updated their policy for outstanding checks. We recommend the County research outstanding checks in County bank accounts timely and follow their policy for dispositioning unclaimed checks.

View of Responsible Officials and Corrective Action Plan

The County has a policy per the Uniform Unclaimed Property Act since 2009 per section 7-8A-1 through 7-8A-31 NMSA 1978. A copy of the policy has been provided to the auditors. Also, the County reports and transfers unclaimed checks to the State of New Mexico on a regular basis. Copies of the reports have been provided to the auditors.

Unclaimed Property tax checks require more attention and proper rules must be adhered to; we do not want to provide the checks to Unclaimed Property without proper research and proper decision. We have updated the policy for unclaimed property that was approved and enacted in 2009. This updated policy is in effect and provides a clear timeline and procedure for the disposition of checks. In addition, the office has reviewed and identified check owners that still have property tax liabilities. Since we are done with our research, the office will disposition these funds back to the owner by providing a credit to their tax liability instead of transferring to unclaimed property. For any owners that have not been identified, the office will ensure that the outstanding funds be sent to the State no later than November 1, 2021 per the Uniform Unclaimed Property Act.

Finding resolved timeline: November 1, 2021

Designation of employee position responsible for meeting this deadline: Treasurer's staff including, Administrative Assistant and the Accountant III. County Chief Deputy Treasurer shall supervise the course of action.

Respectfully submitted,

 3/5/21

Asma Dawood
Finance Director