

Comprehensive Annual Financial Report

Year Ended June 30, 2019



Chaves County, New Mexico

#1 St. Mary's Place

Roswell, NM

FINANCIAL REPORT
Fiscal Year Ended June 30, 2019

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

Prepared by:
The Finance Department

INTRODUCTORY SECTION

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CHAVES COUNTY
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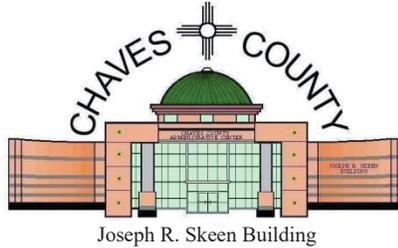
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**FINANCE
DEPARTMENT**

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**Chief Financial
Officer**
Joe Sedillo



COMMISSIONERS

Dara A. Dana - District 1
T Calder Ezzell Jr. - District 2
Jeff Bilberry – District 3
Robert Corn - District 4
William E. Cavin – District 5

County Manager
Stanton L. Riggs

November 25, 2019

County Commissioners of
Chaves County, New Mexico

County Manager and the Citizens of
Chaves County, New Mexico

We are pleased to submit to you the Comprehensive Annual Financial Report of Chaves County for the fiscal year ended June 30, 2019. New Mexico state law, Section 12-6-3 NMSA 1978, requires that an annual audit of Chaves County's financial records and Comprehensive Annual Financial Report be performed by independent public accountants.

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

The report consists of an Introductory Section, the Financial Section which includes the auditor's opinion from Jaramillo Accounting Group, LLC. The Introductory Section includes this transmittal letter, the County's organization chart and a list of County Officials and administrative staff. Please also see Management's Discussion and Analysis (pages 11-20).

The Reporting Entity and Its Services

Chaves County is in southeast New Mexico and was created by Territorial Legislature on February 25, 1889, out of land from Lincoln County. The County comprises an area of 6,075 square miles and is the fourth largest county in the state. The County seat is Roswell, situated in the center of the County. The 2010 census lists the County's population as 65,778 people (as compared to 61,382 in 2000). Estimates of the 2019 population are 64,689. The County's population has decreased by

1.58% between 2010 and 2019. In 2010 the County had a median income of \$37,293 and 74% of the County's population live within the County seat of Roswell, which has a population of 47,635 and a population density of 1,619 individuals per square mile. Roswell is a center for irrigated farms, farming, dairy production, ranching, manufacturing, distribution and petroleum production. Other small towns, all of which lie south of Roswell, include Dexter, with an area of 0.8 square mile and a population of 1,245; Hagerman with an area of 1.4 square miles and population of 1,232; and Lake Arthur of 0.6 square mile and a population of 433.

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

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

Economic Condition and Outlook

As an indicator, property values convey an important part of the local economy. The property values in the County are showing a mixed trend for residential and non-residential values. According to The Chaves County Assessor, the past three years have shown uneven trend in property valuations for Chaves County. Residential property values on a county wide basis have grown at an average of 3.21% over the past three years. This level of growth will continue indefinitely into the future barring a change in statute removing the cap or a significant increase in demand and new construction, none of these scenarios being anticipated at this time. Nonresidential properties, which are not capped, are declining in value. Overall in the past three years nonresidential property values have declined an average of .83%. This is being driven by a decline in state assessed values and a continued decline in livestock values. Nonresidential properties include State Assessed properties, vacant lands, commercial properties and livestock. State Assessed properties include utilities, railroads, pipelines and communication systems. We are anticipating the decline in livestock values to level off and a stabilizing of the values for state assessed properties.

Gross Receipts Tax produced an increase in tax received of 12.77% over the previous year fiscal year to date. The increase in part, is due to an increase of a full year of 1/12 increment and an increase in oil gas and health industries. The gross receipts received continue to be strong into fiscal year 2019 however there is little evidence of economic growth to substantiate those increases.

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

Manufacturing - The largest manufacturing companies which contribute to the overall strength of our economy are Dean Baldwin (aircraft painting), AerSale (aircraft overhaul and repair), Stewart Industries (aircraft overhaul and restoration), Cavu Aerospace (airplane parts), General Air Frame Support and Leprino Foods (cheese processing plant). The Leprino Foods are beginning a 26,000 square foot expansion costing approximately \$10,000. This expansion is phase one of a larger plan to increase cheese production.

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

Long-Term Financial Planning

In the fiscal year oil and gas has had a significant effect and an upward swing in the local and state-wide economic production. Chaves County has been positively impacted directly in job production by providing jobs in the area affecting retail, utilities and construction gross receipts. The long-term objective going forward will be to retire the debt as well as replenish the participating funds. Chaves County has now paid the debt associated with the Court House bonds. No substantial or large construction is currently planned although some intermediate projects like the courthouse elevator and preservation of historical windows at the court house are planned and budgeted. Chaves County continues to play a major role in renewable energy with the construction of the Oso Grande wind project. The project will provide energy to Tucson Arizona. There will be 32 wind turbines in Chaves County at a cost of approximately \$350 million. The Oso Grande project will be fully taxable.

Relevant Financial Policies

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

Major Initiatives

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

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

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

Emergency Communications Project – This project is a radio communication system that all emergency entities, in example, 911 Dispatchers, local police, sheriff, and fire personnel will use. This includes radios, accessories, software and network. The project is estimated to cost the County \$480,000.00.

AWARDS AND ACKNOWLEDGMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded this certificate, the County published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

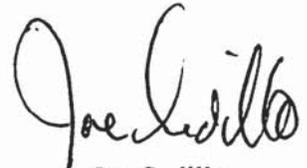
This certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2019 certificate.

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

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

Respectfully submitted,


Stanton L. Riggs
County Manager


Joe Sedillo
Finance Director



Government Finance Officers Association

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

Presented to

**Chaves County
New Mexico**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

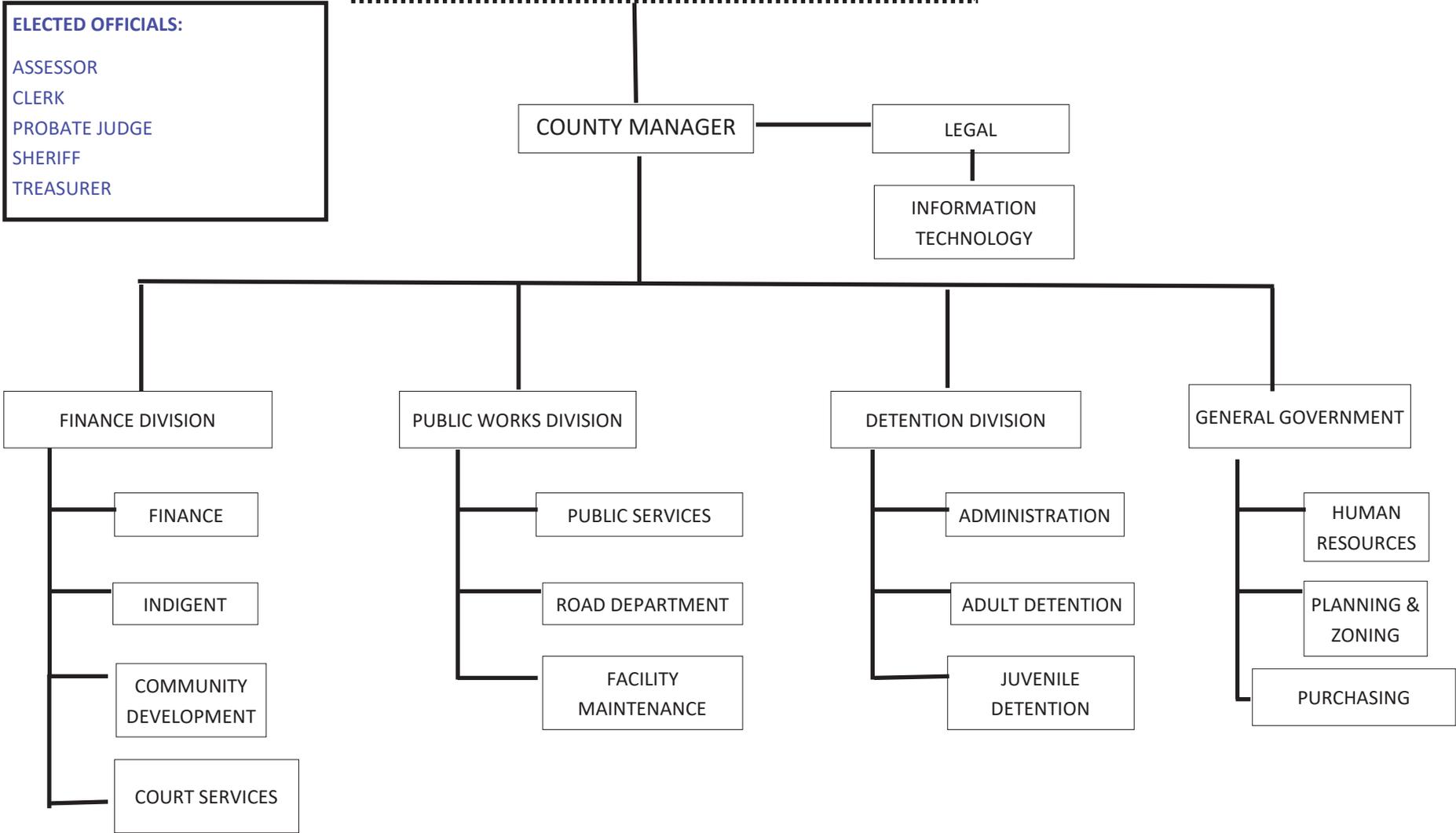
Christopher P. Morill

Executive Director/CEO

CHAVES COUNTY ORGANIZATIONAL CHART

BOARD OF COMMISSIONERS

ELECTED OFFICIALS:
ASSESSOR
CLERK
PROBATE JUDGE
SHERIFF
TREASURER



**STATE OF NEW MEXICO
CHAVES COUNTY
LIST OF PRINCIPAL OFFICERS
JUNE 30, 2019**

Name	Title
<u>County Commissioners</u>	
Dara A. Dana	District 1 Commissioner
T. Calder Ezzell, Jr.	District 2 Commissioner
Jeff Bilberry	District 3 Commissioner
Robert Corn	District 4 Commissioner
William E. Cavin	District 5 Commissioner
<u>Elected Officials</u>	
Mark Willard	County Assessor
David Kunko	County Clerk
Mike Herrington	County Sheriff
Charlotte Andrade	County Treasurer
<u>Administrative Officials</u>	
Stanton L. Riggs	County Manager
Joe Sedillo	Finance Director
William Williams	Public Services Director
Alfredo Garcia	IT Director
Louis Jaramillo	Planning and Zoning Director
Richard "Dick" Smith	Flood Control Superintendent
Clay Corn	Adult and Juvenile Detention Administrator

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

County Commissioners of
Chaves County
Roswell, New Mexico and
Mr. Brian Colón, Esq.
New Mexico State Auditor
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Chaves County, New Mexico (the County), as of and for the year ended June 30, 2019, and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

County Commissioners of
Chaves County and
Mr. Brian Colón, Esq.
New Mexico State Auditor

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information and the respective budgetary comparisons for the general fund and the major special revenue funds of the County as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the internal service fund of the County as of June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 11 - 20), information about Infrastructure Assets Reported Using the Modified Approach (on pages 65 - 67), and the Schedule of the County's Proportionate Share of the Net Pension Liability, Schedule of the County's Pension Contributions, Schedule of the County' Proportionate Share of the Net OPEB Liability, and the Schedule of the County's OPEB Contributions (on pages 68 - 71), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Deposit and Investment Accounts, Schedule of Collateral Pledged, Tax Roll Reconciliation of Changes in the County Treasurer's Property Tax Receivable, Property Tax Schedule, Schedule of Expenditures of State Appropriations, and the Schedule of Joint Powers Agreements), and other information, such as the Introductory Section and Statistical Section, which are presented for purposes of additional analysis and are not a required part of the basic financial statements.

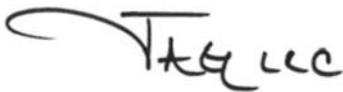
County Commissioners of
Chaves County and
Mr. Brian Colón, Esq.
New Mexico State Auditor

The combining and individual nonmajor fund financial statements and the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Deposit and Investment Accounts, Schedule of Collateral Pledged, Tax Roll Reconciliation of Changes in the County Treasurer’s Property Tax Receivable, Property Tax Schedule, Schedule of Expenditures of State Appropriations, and the Schedule of Joint Powers Agreements) 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules required by NMAC 2.2.2 (Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds, Schedule of Deposit and Investment Accounts, Schedule of Collateral Pledged, Tax Roll Reconciliation of Changes in the County Treasurer’s Property Tax Receivable, Property Tax Schedule, Schedule of Expenditures of State Appropriations, and the Schedule of Joint Powers Agreements) are fairly stated, in all material respects, in relation to the basic financial statement as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 25, 2019

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

As management of the Chaves County, New Mexico (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. The Management's Discussion and Analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

FINANCIAL HIGHLIGHTS

- The County's total net position of governmental activities increased \$4.8 million primarily due to an increase of \$.37 million in investment income, \$.33 million in gross receipts tax and \$.16 million in gas & MVD taxes.
- General revenues from governmental activities accounted for \$33.4 million in revenue, or 83% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4.7 million or 12% of total governmental activities revenues.
- The County had \$35.6 million in expenses related to governmental activities, an increase of .93% from the prior fiscal year.
- The General Fund had \$17.7 million in revenues, which primarily consisted of property tax and intergovernmental revenues. The total expenditures of the General Fund were \$15.6 million. The General Fund's fund balance increased \$2.09 million to \$8.2 million primarily due to increased investment income, and reductions in interest on bonds.
- The Road Fund had \$2.2 million in revenues, which primarily consisted of gasoline and motor vehicle taxes. The total expenditures of the Road Fund were \$5.5 million. The Road Fund's fund balance (after transfers and decrease in inventory) increased \$0.7 million to \$1.5 million at current fiscal year-end.
- The Indigent Hospital Claims Fund had \$4.6 million in revenues, which primarily consisted of gross receipts taxes. The total expenditures of the Indigent Hospital Claims Fund were \$4.3 million. The Indigent Hospital Claims Fund's fund balance increased \$0.26 million from prior fiscal year end to \$1.4 million.
- The Detention Construction Fund had \$6.7 million in revenues, which consisted of gross receipts taxes. The total expenditures of the Detention Construction Fund were \$2.08 million. The Detention Construction Fund's fund balance (after transfers) increased \$3.1 million from prior fiscal year to \$5.07 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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

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

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

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

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table presents a summary of the County's net position for the fiscal years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 81,504,293	\$ 76,500,517
Capital assets, net	<u>112,376,531</u>	<u>112,736,138</u>
Total assets	<u>193,880,824</u>	<u>189,236,655</u>
Deferred outflows	<u>7,110,514</u>	<u>5,879,362</u>
Current and other liabilities	3,640,976	4,080,669
Long-term liabilities	<u>37,153,578</u>	<u>35,456,575</u>
Total liabilities	<u>40,794,554</u>	<u>39,537,244</u>
Deferred inflows	<u>4,432,095</u>	<u>4,699,073</u>
Net investment in capital assets	108,399,061	106,855,738
Restricted	68,174,705	67,419,604
Unrestricted	<u>(20,809,077)</u>	<u>(23,395,642)</u>
Total net position	<u>\$ 155,764,689</u>	<u>\$ 150,879,700</u>

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

- Bond principal retirement of \$1.18 million and NMFA loan principal retirement of \$541,679.
- Addition of approximately \$3.6 million in capital assets and current depreciation expense of \$3.6 million.
- An increase in pension liabilities of \$3.5 million and a decrease in OPEB liabilities \$.64 million, respectively, offset by an increase in pension deferred outflows of \$1.2 million.

Changes in net position. The County's total revenues for the current fiscal year were \$40 million. The total cost of all programs and services was \$35.6 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and 2018:

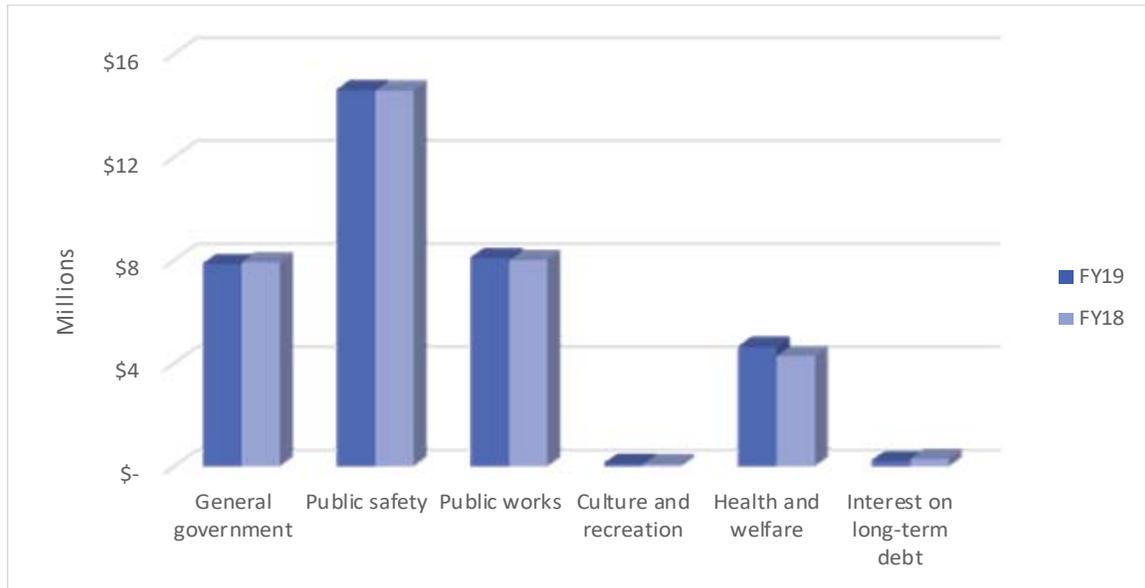
STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	<u>2019</u>	<u>2018</u>
REVENUES		
Program revenues		
Charges for services	\$ 2,408,701	\$ 2,680,756
Operating grants and contributions	3,743,551	2,876,608
Capital grants and contributions	927,041	915,313
General revenues		
Property taxes, levied for general purposes	9,758,379	9,844,911
Property taxes, levied for capital purposes	1,458,866	1,429,581
Gross receipts taxes	15,239,492	14,740,064
Gasoline and motor vehicle taxes	1,820,820	1,561,917
Unrestricted federal aid	3,747,288	3,683,677
Investment income	1,385,081	1,013,633
Total revenues	<u>40,489,219</u>	<u>38,746,460</u>
EXPENSES		
General government	7,864,657	7,937,326
Public safety	14,615,250	14,597,822
Public works	8,104,384	8,025,120
Culture and recreation	129,079	104,773
Health and welfare	4,651,334	4,299,935
Interest on long-term debt	239,526	312,530
Total expenses	<u>35,604,230</u>	<u>35,277,506</u>
Changes in net position	<u>4,884,989</u>	<u>3,468,954</u>
Net position - beginning of year	150,879,700	160,275,351
Adoption of new accounting standard (GASB 75)	-	(12,864,605)
Net position - beginning of year, as restated	<u>150,879,700</u>	<u>147,410,746</u>
Net position - ending of year	<u><u>\$ 155,764,689</u></u>	<u><u>\$150,879,700</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



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

- Investment income increased \$0.37 million primarily due to improved investment experience.
- Expenses increased \$.33 million which represents .93% of the total expenses.

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

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	2019		2018	
	Total	Net	Total	Net
	Expenses	(Expense) Revenue	Expenses	(Expense) Revenue
General government	\$ 7,864,657	\$ (5,523,745)	\$ 7,937,326	\$ (5,294,369)
Public safety	14,615,250	(10,692,206)	14,597,822	(11,624,242)
Public works	8,104,384	(7,289,047)	8,025,120	(7,227,397)
Culture and recreation	129,079	(129,079)	104,773	(104,773)
Health and welfare	4,651,334	(4,651,334)	4,299,935	(4,241,518)
Interest on long-term debt	239,526	(239,526)	312,530	(312,530)
Total	<u>\$ 35,604,230</u>	<u>\$ (28,524,937)</u>	<u>\$ 35,277,506</u>	<u>\$ (28,804,829)</u>

- The cost of all governmental activities this year was \$35.6 million.
- Charges for services and contributions subsidized certain governmental programs with revenues of \$7.08 million.
- Net cost of governmental activities of \$28.5 million was financed by general revenues of \$33.4 million, which are made up of primarily property taxes and gross receipts taxes.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as useful measure of the County's net resources available for spending at the end of the fiscal year. The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$78.3 million, an increase of \$4.7 million, or approximately 6%.

The General Fund is the principal operating fund of the County. Fund balance increased from \$2.9 million to \$8.2 million as of the fiscal year-end. General Fund revenues increased \$15,863 primarily as a result of increased investment income. General Fund expenditures increased \$365,834 as a result in Health and Welfare costs and General Government insurance deductible costs.

The Road Fund's fund balance increased \$70,315, net of a reduction in nonspendable resources of \$149,655 to \$397,469 as of fiscal year end. Road Fund revenues increased \$341,701 to \$2.2 million and expenditures increased \$673,159 to \$5.5 million at fiscal year-end.

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (CONTINUED)

The Indigent Hospital Fund's fund balance had an increase of \$276,624 to \$1.4 million at fiscal year-end. The increase was primarily due to increased gross receipts tax collections.

The Detention Construction Fund's fund balance increased \$3.1 million to \$5.0 million at fiscal year-end primarily due to the additional 3/8th increment in Gross Receipts Tax.

BUDGETARY HIGHLIGHTS

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

- The favorable variance of \$15,863 in revenues for general government was a result of better than expected investment experience.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year-end, the County had invested \$168.5 million in capital assets, including land, construction in progress, infrastructure, fine art, land improvements, buildings and improvements, vehicles, furniture and equipment, and bridges. This amount represents a net increase prior to depreciation of \$3.2 million. Total depreciation expense for the current fiscal year was \$3.5 million. The following schedule presents capital asset balances for the fiscal years ended June 30, 2019 and 2018:

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

<u>Governmental Activities</u>	<u>2019</u>	<u>2018</u>
Land	\$ 3,821,441	\$ 3,821,441
Construction in progress	1,198,086	96,488
Infrastructure	48,136,138	48,037,074
Fine art	642,181	642,181
Land improvements	871,901	871,901
Buildings and improvements	64,604,759	64,567,109
Vehicles, furniture and equipment	34,767,867	33,311,484
Bridges	<u>14,496,542</u>	<u>14,370,580</u>
Subtotal	168,538,915	165,718,258
Accumulated depreciation	<u>(56,162,384)</u>	<u>(52,982,120)</u>
Total	<u>\$ 112,376,531</u>	<u>\$ 112,736,138</u>

The County has \$1.2 million in current construction projects in progress at fiscal year-end. The County has elected to record its infrastructure assets using the modified approach, as defined in GASB Statement 34. Assets accounted for under the modified approach include 499.13 miles of chip sealed/paved roadways and 900.443 miles of unpaved roadways that the County is responsible for maintaining.

Chaves County utilizes a Pavement Management System. The County's Pavement Management System's purpose is to develop a cost-effective rehabilitation program that preserves the County's road investment and enhances public transportation and safety. Each road segment is evaluated using four different road distress factors which are combined to obtain a Pavement Remaining Service Life (RSL) Factor. This factor is then assigned to each segment of road and expressed in a continuous scale from 0 to 20, which 0 is assigned the least acceptable road condition and 20 is assigned the best. The goal of Chaves County is to maintain and preserve the eligible infrastructure roads at an average RSL Range of 6 to 10, or average to above average to good. The County's most recent assessment indicated that an overall RSL factor of 8.47 was achieved.

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

Debt Administration. At year-end, the County had \$3.7 million in long-term debt outstanding. The following table presents a summary of the County's outstanding long-term debt for the fiscal years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Bonds payable	\$ 600,000	\$ 1,815,000
Loans payable	<u>3,064,235</u>	<u>3,651,690</u>
Total	<u>\$ 3,664,235</u>	<u>\$ 5,466,690</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the County's administration during the process of developing the fiscal year 2019-20 budget. Among them:

- The 2019 average unemployment rate of Chaves County was 4.9% which is a decrease of 1.5% from last year's 6.4%. This is more favorable than the state's unemployment rate of 6.6% and a less favorable rate compared to the national average rate of 3.6%.
- An increase of federal and local PILT at 1.73%.
- Inflationary trends in the region compare unfavorably to the national indices of 1.76%.

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

Budgeted expenditures in the General Fund increased 5.39% to \$17.6 million in fiscal year 2019-2020. An increase in areas as in personnel cost of living increase plus direct employee benefits, contributed to the increase.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 11,675,715
Investments	14,616,507
Receivables	3,754,196
Inventory	541,594
Prepaid items	333,445
Total current assets	30,921,457
Non-current assets	
Cash and cash equivalents - restricted	-
Investments - restricted	50,582,836
Capital assets, nondepreciable	53,797,846
Capital assets, depreciable, net	58,578,685
Total non-current assets	162,959,367
Total assets	193,880,824
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions and OPEB	7,110,514
LIABILITIES	
Current liabilities	
Accounts payable	835,151
Accrued payroll	922,980
Compensated absences	649,020
Loans payable	610,227
Bonds payable	600,000
Accrued interest payable	23,598
Total current liabilities	3,640,976
Non-current liabilities	
Compensated absences	110,656
Non-current portion of long-term debt	2,767,243
Net pension liability	24,041,826
Net OPEB liability	10,233,853
Total non-current liabilities	37,153,578
Total liabilities	40,794,554
DEFERRED INFLOWS OF RESOURCES	
Related to pensions and OPEB	4,432,095
NET POSITION	
Net investment in capital assets	108,399,061
Restricted for	
Special purposes (Note 2)	9,512,090
Debt service	2,686,609
Capital outlay	5,976,006
Nonexpendable	50,000,000
Unrestricted (deficit)	(20,809,077)
Total net position	\$ 155,764,689

See Accompanying Notes.

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities					
General government	\$ 7,864,657	\$ 2,218,529	\$ 122,383	\$ -	\$ (5,523,745)
Public safety	14,615,250	109,642	3,621,168	192,234	(10,692,206)
Public works	8,104,384	80,530	-	734,807	(7,289,047)
Culture and recreation	129,079	-	-	-	(129,079)
Health and welfare	4,651,334	-	-	-	(4,651,334)
Interest on long-term debt	239,526	-	-	-	(239,526)
Total governmental activities	\$ 35,604,230	\$ 2,408,701	\$ 3,743,551	\$ 927,041	(28,524,937)

General Revenues

Taxes

Property taxes, levied for general purposes	9,758,379
Property taxes, levied for capital purposes	1,458,866
Gross receipts tax	15,239,492
Gasoline and motor vehicle taxes	1,820,820
Unrestricted federal aid	3,747,288
Investment income	<u>1,385,081</u>

Total general revenues 33,409,926

Changes in net position 4,884,989

Net position - beginning of year 150,879,700

Net position - end of year \$ 155,764,689

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General	Road	Indigent Hospital Claims	Detention Construction
ASSETS				
Cash and cash equivalents	\$ 5,037,420	\$ 1,374,235	\$ -	\$ 4,008,299
Cash and cash equivalents - restricted	-	-	-	-
Investments	3,287,874	-	879,904	-
Investments - restricted	-	-	-	482,836
Receivables	832,975	133,892	541,854	1,015,428
Inventory	-	527,022	-	-
Prepaid items	170,495	22,922	576	102,937
Interfund advances receivable	285,000	-	-	-
Total assets	<u>\$ 9,613,764</u>	<u>\$ 2,058,071</u>	<u>\$ 1,422,334</u>	<u>\$ 5,609,500</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 233,039	\$ 355,321	\$ 675	\$ 38,134
Accrued payroll	675,917	145,229	7,421	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	500,000
Total liabilities	<u>908,956</u>	<u>500,550</u>	<u>8,096</u>	<u>538,134</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	481,263	-	-	-
FUND BALANCES				
Nonspendable	170,495	549,944	576	102,937
Restricted	-	1,007,577	1,413,662	4,968,429
Committed	-	-	-	-
Unassigned	8,053,050	-	-	-
Total fund balances	<u>8,223,545</u>	<u>1,557,521</u>	<u>1,414,238</u>	<u>5,071,366</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,613,764</u>	<u>\$ 2,058,071</u>	<u>\$ 1,422,334</u>	<u>\$ 5,609,500</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019**

	County Permanent	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 1,179,540	\$ 11,599,494
Cash and cash equivalents - restricted	-	-	-
Investments	-	10,448,729	14,616,507
Investments - restricted	49,500,000	600,000	50,582,836
Receivables	-	1,230,047	3,754,196
Inventory	-	-	527,022
Prepaid items	-	36,514	333,444
Interfund advances receivable	500,000	150,000	935,000
Total assets	<u>\$ 50,000,000</u>	<u>\$ 13,644,830</u>	<u>\$ 82,348,499</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Current liabilities			
Accounts payable	\$ -	\$ 196,595	\$ 823,764
Accrued payroll	-	94,414	922,981
Unearned revenues	-	-	-
Interfund advances payable	-	435,000	935,000
Total liabilities	<u>-</u>	<u>726,009</u>	<u>2,681,745</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	84,257	565,520
FUND BALANCES			
Nonspendable	50,000,000	36,514	50,860,466
Restricted	-	10,785,037	18,174,705
Committed	-	2,013,013	2,013,013
Unassigned	-	-	8,053,050
Total fund balances	<u>50,000,000</u>	<u>12,834,564</u>	<u>79,101,234</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,000,000</u>	<u>\$ 13,644,830</u>	<u>\$ 82,348,499</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

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

Fund balances - total governmental funds	\$ 79,101,234
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets, net of accumulated depreciation	112,376,531
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Deferred inflows and outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflow of resources related to pensions and OPEB	7,110,514
Deferred inflow of resources related to pensions and OPEB	(4,432,095)

Some revenues will not be available to pay for current period expenditures and, therefore, are not reported in the funds.

Property taxes	565,520
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The Internal service fund is used by management to charge the costs of supplies and services to individual departments. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Position.

	79,408
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Accrued interest payable	(23,598)
Accrued compensated absences payable	(759,676)
Loan premium payable	(313,235)
Bonds payable	(600,000)
Loans payable	(3,064,235)
Net pension liability	(24,041,826)
Net OPEB liability	<u>(10,233,853)</u>

Net position - total governmental activities	<u>\$ 155,764,689</u>
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**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	General	Road	Indigent Hospital Claims	Detention Construction
REVENUES				
Property taxes	\$ 9,659,346	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	625,206	1,195,614	-	-
Gross receipts tax	465,253	300,000	4,609,740	6,601,609
State grants and contributions	219,421	734,759	-	-
Federal grants and contributions	3,747,288	-	-	-
Charges for services	640,496	-	-	-
Licenses and fees	425,940	-	-	-
Investment income	1,341,502	-	6,120	7,672
Other	608,342	54,540	259	85,119
Total revenues	<u>17,732,794</u>	<u>2,284,913</u>	<u>4,616,119</u>	<u>6,694,400</u>
EXPENDITURES				
Current				
General government	6,143,875	-	-	-
Public safety	9,159,485	-	-	1,463,536
Public works	-	4,725,624	-	-
Culture and recreation	116,274	-	-	-
Health and welfare	55,761	-	4,339,495	-
Capital outlay	-	839,319	-	20,320
Debt service				
Principal	-	-	-	480,000
Interest and fees	158,565	-	-	123,365
Total expenditures	<u>15,633,960</u>	<u>5,564,943</u>	<u>4,339,495</u>	<u>2,087,221</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,098,834</u>	<u>(3,280,030)</u>	<u>276,624</u>	<u>4,607,179</u>
Other financing sources (uses)				
Transfers in	-	3,500,000	-	1,000,000
Transfers out	(1,005,000)	-	-	(2,500,000)
Total other financing sources (uses)	<u>(1,005,000)</u>	<u>3,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Change in fund balances	1,093,834	219,970	276,624	3,107,179
Fund balances, beginning of year	7,129,711	1,487,206	1,137,614	1,964,187
Changes in non-spendable resources				
Increase (decrease) in inventory	-	(149,655)	-	-
Fund balances, end of year	<u>\$ 8,223,545</u>	<u>\$ 1,557,521</u>	<u>\$ 1,414,238</u>	<u>\$ 5,071,366</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	County Permanent	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ -	\$ 1,466,743	\$ 11,126,089
Gasoline and motor vehicles taxes	-	-	1,820,820
Gross receipts tax	-	3,262,890	15,239,492
State grants and contributions	-	3,581,087	4,535,267
Federal grants and contributions	-	135,325	3,882,613
Charges for services	-	397,487	1,037,983
Licenses and fees	-	109,642	535,582
Investment income	-	29,787	1,385,081
Other	-	86,876	835,136
Total revenues	<u>-</u>	<u>9,069,837</u>	<u>40,398,063</u>
EXPENDITURES			
Current			
General government	-	396,542	6,540,417
Public safety	-	2,164,811	12,787,832
Public works	-	959,269	5,684,893
Culture and recreation	-	-	116,274
Health and welfare	-	233,323	4,628,579
Capital outlay	-	2,751,935	3,611,574
Debt service			
Principal	-	1,322,455	1,802,455
Interest and fees	-	80,658	362,588
Total expenditures	<u>-</u>	<u>7,908,993</u>	<u>35,534,612</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,160,844</u>	<u>4,863,451</u>
Other financing sources (uses)			
Transfers in	-	2,350,000	6,850,000
Transfers out	-	(3,345,000)	(6,850,000)
Total other financing sources (uses)	<u>-</u>	<u>(995,000)</u>	<u>-</u>
Change in fund balances	-	165,844	4,863,451
Fund balances, beginning of year	50,000,000	12,668,720	74,387,438
Changes in non-spendable resources			
Increase (decrease) in inventory	-	-	(149,655)
Fund balances, end of year	<u>\$ 50,000,000</u>	<u>\$ 12,834,564</u>	<u>\$ 79,101,234</u>

See Accompanying Notes.

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

Net change in fund balances - total governmental funds	\$	4,863,451
<p>Amounts reported for <i>governmental activities</i> in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Expenditures for capital assets	\$ 3,645,780	
Current year depreciation	<u>(3,589,215)</u>	56,565
<p>Revenues in the governmental funds that provide current financial resources are not included in the Statement of Activities because they were recognized in a prior period.</p>		
Property taxes	91,163	
Other taxes	<u>-</u>	91,163
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
Bond principal retirement	1,180,000	
Loan principal retirement	<u>622,455</u>	1,802,455
<p>Governmental funds report pension and OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension and OPEB liability, adjusted for deferred pension and OPEB items, is reported as pension and OPEB expenses in the Statement of Activities.</p>		
County pension contribution	1,623,475	
Pension expense	(3,330,988)	
County OPEB contribution	205,227	
OPEB income	<u>48,376</u>	(1,453,910)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Inventory	(149,655)	
Loss on disposal of capital assets	(416,172)	
Compensated absences payable	(47,180)	
Amortization of debt items	100,475	
Accrued interest on long-term debt	<u>22,587</u>	(489,945)
<p>Internal Service Fund is used by management to charge the costs of supplies and services to the individual departments. The change in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.</p>		
		<u>15,210</u>
Change in net position of governmental activities	\$	<u>4,884,989</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 8,488,535	\$ 8,488,535	\$ 9,662,844	\$ 1,174,309
Gasoline and motor vehicle taxes	449,348	449,348	624,018	174,670
Gross receipts taxes	500,000	500,000	465,252	(34,748)
State grants and contributions	165,900	165,900	219,421	53,521
Federal grants and contributions	3,436,000	3,436,000	3,747,288	311,288
Charges for services	714,000	714,000	637,494	(76,506)
Licenses and fees	485,750	485,750	425,940	(59,810)
Investment income	2,555,758	2,555,758	341,502	(2,214,256)
Other	723,500	746,851	602,142	(144,709)
Total revenues	<u>17,518,791</u>	<u>17,542,142</u>	<u>16,725,901</u>	<u>(816,241)</u>
EXPENDITURES				
Current				
General government	6,497,453	7,194,015	6,146,317	1,047,698
Public safety	10,099,647	9,776,037	9,164,594	611,443
Public works	-	-	-	-
Culture and recreation	153,901	153,901	116,274	37,627
Health and welfare	61,352	61,352	55,761	5,591
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	158,565	(158,565)
Total expenditures	<u>16,812,353</u>	<u>17,185,305</u>	<u>15,641,511</u>	<u>1,543,794</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(1,005,000)	(1,005,000)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (1,005,000)</u>	<u>(1,005,000)</u>	<u>\$ -</u>
Change in fund balance - budgetary basis			79,390	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			1,006,893	
Unbudgeted expenditure accruals			7,551	
Change in fund balance for funds budgeted separately from the General Fund			<u>-</u>	
Change in fund balance - GAAP Basis			<u>\$ 1,093,834</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	965,000	965,000	1,188,245	223,245
Gross receipts taxes	300,000	300,000	300,000	-
State grants and contributions	700,000	700,000	734,759	34,759
Federal grants and contributions	1,700	1,700	-	(1,700)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	-	54,540	54,540
Total revenues	<u>1,966,700</u>	<u>1,966,700</u>	<u>2,277,544</u>	<u>310,844</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	6,022,149	6,044,566	4,723,184	1,321,382
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	434,000	434,000	839,319	(405,319)
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>6,456,149</u>	<u>6,478,566</u>	<u>5,562,503</u>	<u>916,063</u>
Other financing sources				
Transfers in	-	3,500,000	3,500,000	-
Transfers out	-	-	-	-
Total other financing sources	<u>\$ -</u>	<u>\$ 3,500,000</u>	<u>3,500,000</u>	<u>\$ -</u>
Change in fund balance - budgetary basis			215,041	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			7,369	
Unbudgeted expenditure accruals			<u>(2,440)</u>	
Change in fund balance - GAAP Basis			<u>\$ 219,970</u>	

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
INDIGENT HOSPITAL CLAIMS FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Gross receipts taxes	4,202,000	4,197,315	4,598,490	401,175
State grants and contributions	-	-	-	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	6,121	6,121
Other	-	-	259	259
Total revenues	<u>4,202,000</u>	<u>4,197,315</u>	<u>4,604,870</u>	<u>407,555</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	4,343,880	4,550,696	4,346,975	203,721
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>4,343,880</u>	<u>4,550,696</u>	<u>4,346,975</u>	<u>203,721</u>
Other financing sources				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Change in fund balance - budgetary basis			257,895	
Reconciliation to change in fund balance - GAAP Basis				
Unbudgeted revenue accruals			11,250	
Unbudgeted expenditure accruals			<u>7,479</u>	
Change in fund balance - GAAP Basis			<u>\$ 276,624</u>	

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

	Governmental Activities: Internal Service Funds
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 76,219
Inventory	<u>14,572</u>
Total assets	<u>90,791</u>
 LIABILITIES	
Current Liabilities	
Accounts payable	<u>11,386</u>
Total liabilities	<u>11,386</u>
 NET POSITION	
Unrestricted	<u>79,405</u>
Total net position	<u><u>\$ 79,405</u></u>

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities: Internal Service Funds
OPERATING REVENUES	
Sales of supplies	\$ 115,710
Charges for services	-
Total operating revenues	115,710
 OPERATING EXPENSES	
Supplies	35,854
Services	64,646
Total operating expenses	100,500
Operating income	15,210
Changes in net position	15,210
Net position, beginning of year	64,195
Net position, end of year	\$ 79,405

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

	Governmental Activities: Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash received from sales of supplies and services	\$ 117,874
Cash payments to suppliers for goods and services	<u>(97,924)</u>
Net cash provided by operating activities	<u>19,950</u>
Net increase in cash and cash equivalents	19,950
Cash and cash equivalents, beginning of year	<u>56,269</u>
Cash and cash equivalents, end of year	<u><u>\$ 76,219</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating income	\$ 15,210
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:	
Decrease in inventory	2,164
Increase in accounts payable	<u>2,576</u>
Total adjustments	<u>4,740</u>
Net cash provided by operating activities	<u><u>\$ 19,950</u></u>

**STATE OF NEW MEXICO
CHAVES COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2019**

ASSETS

Cash and cash equivalents	\$ 552,383
Property taxes receivable	<u>1,641,982</u>

Total assets	<u><u>\$ 2,194,365</u></u>
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LIABILITIES

Deposits held for others	\$ 43,999
Due to taxing entities	<u>2,150,366</u>

Total liabilities	<u><u>\$ 2,194,365</u></u>
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**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The County's significant accounting policies are described below.

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds.

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

D. Cash and Investments

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

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

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

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

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investment Income

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

F. Receivables and Payables

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

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

G. Inventory

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

H. Prepaid Items

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

I. Capital Assets

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

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

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

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

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

J. Deferred Outflows/Inflows of Resources

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

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

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the 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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Pensions (Continued)

(including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally resources from the general fund are used to pay for pension liabilities.

L. Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally resources from the general fund are used to pay for OPEB liabilities.

M. Compensated Absences

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

N. Long-Term Obligations

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

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

O. Interfund Activity

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Budgets

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

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

Q. Net Position Flow Assumption

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

R. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2. FUND BALANCE CLASSIFICATIONS

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

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

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2. FUND BALANCE CLASSIFICATIONS (CONTINUED)

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

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

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

	General Fund	Road Fund	Indigent Hospital Claims Fund	Detention Construction Fund	County Permanent Fund	Nonmajor Governmental Funds	Total
Fund Balances							
Nonspendable							
Inventory	\$ -	\$ 527,022	\$ -	\$ -	\$ -	\$ -	\$ 527,022
Prepaid	170,495	22,922	576	102,937	-	36,514	333,444
Permanent	-	-	-	-	50,000,000	-	50,000,000
Restricted							
Debt Service	-	-	-	-	-	2,686,609	2,686,609
Capital Projects	-	1,007,577	-	4,968,429	-	2,007,835	7,983,841
State/Federal Projects	-	-	-	-	-	378,730	378,730
Health services	-	-	1,413,662	-	-	-	1,413,662
Fire Protection	-	-	-	-	-	5,472,453	5,472,453
Law enforcement	-	-	-	-	-	198,552	198,552
Environmental services	-	-	-	-	-	40,858	40,858
Committed							
Capital projects	-	-	-	-	-	857,469	857,469
County assessor	-	-	-	-	-	915,648	915,648
County clerk	-	-	-	-	-	218,113	218,113
Law enforcement	-	-	-	-	-	21,783	21,783
Unassigned	<u>8,053,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,053,050</u>
Total fund balances	<u>\$ 8,223,545</u>	<u>\$ 1,557,521</u>	<u>\$ 1,414,238</u>	<u>\$ 5,071,366</u>	<u>\$ 50,000,000</u>	<u>\$ 12,834,564</u>	<u>\$ 79,101,234</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3. CASH AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$12,093,247 and the bank balance was \$12,093,247. The difference represents outstanding checks, deposits, and other reconciling items.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County's deposit policy for custodial credit risk follows New Mexico law. All deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The County's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). At year end, \$11,787,606 of the County's bank balance was exposed to custodial credit risk as uninsured and \$18,887,845 was collateralized with securities held by the pledging financial institution's trust department. The pledged collateral by bank at year end consists of the following:

Deposits	\$ 12,093,247
FDIC coverage	<u>(305,641)</u>
Total uninsured public funds	<u>11,787,606</u>
50% collateral requirement	380,086
102% collateral requirement	11,247,984
Pledged securities, fair value	<u>18,887,845</u>
Pledged amount (over) under requirement	<u><u>\$ (7,259,775)</u></u>

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. All Level 2 investments are bonds valued by a pricing service that uses matrix pricing. A Level 2 input would be a price or yield of a similar bond. At year end, the County's investments consisted of the following:

Investment Type	Category	Fair Value	Investment Maturity in Years			Total	Credit Risk Concentration:
			Less than 1	1-5	6-10		
Money market - investments	N/A	\$ 53,539	\$ 53,539	\$ -	\$ -	\$ 53,539	0.08%
State investment pool	N/A	284,885	284,885	-	-	284,885	0.44%
Corporate bond	Level 2	18,956,467	7,667,162	11,289,305	-	18,956,467	29.07%
U.S. Treasuries	Level 2	15,820,980	4,394,429	11,426,551	-	15,820,980	24.27%
U.S. Agencies:							
Federal National Mortgage Assoc	Level 2	6,741,506	4,738,325	2,003,181	-	6,741,506	10.34%
Federal Home Loan Mortgage Corp	Level 2	7,649,790	3,521,277	4,128,513	-	7,649,790	11.73%
Federal Home Loan Bank	Level 2	7,111,307	999,449	6,111,858	-	7,111,307	10.91%
Federal Farm Credit Bank	Level 2	8,098,033	-	8,098,033	-	8,098,033	12.42%
Investments – NMFA Pooled							
Debt Service Account	Level 2	<u>482,836</u>	<u>482,836</u>	-	-	<u>482,836</u>	<u>0.74%</u>
Total		<u>\$65,199,343</u>	<u>\$22,141,902</u>	<u>\$43,057,441</u>	<u>\$ -</u>	<u>\$ 65,199,343</u>	<u>100.00%</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

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

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

According to the Statement, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The STO uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.nmsto.gov. The value of the investment in the LGIP as of June 30, 2019, is the ending balance on the LGIP statements. The County's June 30, 2019 balance is as follows:

New Mexico LGIP AAAM Rated \$284,885 [35] day WAM (R); [112] day WAM (F).

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4. RECEIVABLES

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

	General Fund	Road Fund	Indigent Hospital Claims Fund	Detention Construction Fund	Nonmajor Governmental Funds	Total
Gross receipts	\$ -	\$ -	\$ 541,854	\$ 1,015,428	\$ 642,260	\$ 2,199,542
Property taxes	589,523	-	-	-	98,685	688,208
Gasoline and motor vehicle	27,175	133,892	-	-	-	161,067
Intergovernmental - State	-	-	-	-	424,102	424,102
Intergovernmental - Care of Prisoners	209,977	-	-	-	-	209,977
Accounts	6,300	-	-	-	65,000	71,300
Net receivables	<u>\$ 832,975</u>	<u>\$ 133,892</u>	<u>\$ 541,854</u>	<u>\$ 1,015,428</u>	<u>\$ 1,230,047</u>	<u>\$ 3,754,196</u>

NOTE 5. DEFERRED INFLOWS OF RESOURCES

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

	General Fund	Nonmajor Governmental Funds	Total
Property taxes receivable	\$ 481,263	\$ 84,257	\$ 565,520
Total deferred inflows of resources	<u>\$ 481,263</u>	<u>\$ 84,257</u>	<u>\$ 565,520</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6. CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Deletions	Transfers/ Reclassifi- cation	Ending Balance
Capital assets, not being depreciated					
Land	\$ 3,821,441	\$ -	\$ -	\$ -	\$ 3,821,441
Construction in progress	96,488	1,112,525	(10,927)	-	1,198,086
Infrastructure (paved and unpaved)	48,037,074	472,520	(373,456)	-	48,136,138
Fine art	642,181	-	-	-	642,181
Total capital assets, not being depreciated	<u>52,597,184</u>	<u>1,585,045</u>	<u>(384,383)</u>	-	<u>53,797,846</u>
Capital assets, being depreciated					
Land improvements	871,901	-	-	-	871,901
Buildings and improvements	64,567,109	74,406	(36,756)	-	64,604,759
Vehicles, furniture, and equipment	33,311,484	1,860,367	(403,984)	-	34,767,867
Bridges	14,370,580	125,962	-	-	14,496,542
Total capital assets being depreciated	<u>113,121,074</u>	<u>2,060,735</u>	<u>(440,740)</u>	-	<u>114,741,069</u>
Accumulated depreciation for					
Land improvements	(341,543)	(16,420)	-	-	(357,963)
Buildings and improvements	(22,403,422)	(1,936,610)	12,910	-	(24,327,122)
Vehicles, furniture, and equipment	(21,025,041)	(1,407,664)	396,040	-	(22,036,665)
Bridges	(9,212,114)	(228,520)	-	-	(9,440,634)
Total accumulated depreciation	<u>(52,982,120)</u>	<u>(3,589,214)</u>	<u>408,950</u>	-	<u>(56,162,384)</u>
Total capital assets, being depreciated, net	<u>60,138,954</u>	<u>(1,528,479)</u>	<u>(31,790)</u>	-	<u>58,578,685</u>
Governmental activities capital assets, net	<u>\$ 112,736,138</u>	<u>\$ 56,566</u>	<u>\$ (416,173)</u>	<u>\$ -</u>	<u>\$ 112,376,531</u>

Governmental capital asset depreciation by function is as follows:

General government	\$ 617,699
Public safety	972,989
Public works	<u>1,998,526</u>
Total	<u>\$ 3,589,214</u>

Construction Commitments. The County had construction projects ongoing as of the fiscal year ended June 30, 2019 that are to continue into the following fiscal year. The projects include building construction for the flood department. At June 30, 2019, the County has commitments for construction of \$437,281. At year end, the County had no significant contractual commitments related to capital projects.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7. BONDS PAYABLE

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

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due within One Year
Governmental Activities					
2007 Refunding Bonds	\$ 10,000,000	3.6%-4.1%	8/1/2019	<u>\$ 600,000</u>	<u>\$ 600,000</u>

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

Year ending June 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 600,000	\$ 12,300
Total	<u>\$ 600,000</u>	<u>\$ 12,300</u>

Pledged Revenues – Governmental Activities. The County has pledged future gross receipts tax revenues to repay outstanding refunding bonds of \$600,000 as of June 30, 2019. Proceeds from the original bond issuances provided financing for the construction, furnishing, equipping, rehabilitating, and expanding and improving the County Courthouse and County Administrative buildings. The bonds are paid solely from the County’s gross receipts tax and are payable through 2020. Total annual principal and interest payments for all gross receipts tax revenue bonds are expected to require approximately 50% of gross receipts taxes recognized in the Revenue Bond #2 Fund. Total principal and interest to be paid on the bonds is \$612,300. The current total gross receipts tax revenues recognized in Revenue Bond #2 Fund were \$2.5 million and the total principal and interest paid on the bonds was \$1.25 million, or 50% of gross revenues.

NOTE 8. LOANS PAYABLE

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8. LOANS PAYABLE (CONTINUED)

Description	Date of Issue	Maturity	Interest Rates	Original Amount of Issue	Balance June 30, 2019
District #8 Fire Equipment	March 2003	May 2023	3.00%	\$ 125,000	\$ 31,341
East Grand Plains Fire Equipment	April 2004	May 2024	3.66%-4.27%	269,708	86,888
Midway Fire Equipment	April 2009	May 2030	3.00%	162,400	101,001
East Grand Plains Fire Equipment	May 2011	May 2022	2.49%-3.86%	126,875	76,794
Country Detention Center Loan	June 2013	June 2023	4.10%-5.10%	4,725,000	2,135,000
Sierra Substation	July 2013	May 2033	1.00%-3.395%	619,613	465,476
Sierra Fire Truck	July 2014	May 2025	0.76%-2.93%	267,003	167,735
Total				<u>\$ 6,295,599</u>	<u>\$ 3,064,235</u>

Year ending June 30,	Principal	Interest	Total
2020	\$ 610,227	\$ 131,929	\$ 742,156
2021	633,328	103,448	736,776
2022	661,762	78,827	740,589
2023	662,698	47,436	710,134
2024	87,042	15,591	102,633
2025-29	244,924	47,366	292,290
2030-33	<u>164,254</u>	<u>12,408</u>	<u>176,662</u>
Total	<u>\$ 3,064,235</u>	<u>\$ 437,005</u>	<u>\$ 3,501,240</u>

NOTE 9. OBLIGATIONS UNDER OPERATING LEASES

The County leases heavy equipment for road maintenance, including road graders, front loaders, and water trucks. The County also leases copy machines for various departments. The County's monthly rental payments for operating leases totaled \$332,976 for the current fiscal year. The future minimum rental payments required under the operating leases at year end were as follows:

Year ending June 30,	
2020	\$ 361,701
2021	349,007
2022	383,597
2023	254,782
2024	137,751
Thereafter	<u>-</u>
Total minimum payments required	<u>\$ 1,486,838</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Refunding revenue bonds	\$ 1,815,000	\$ -	\$ 1,215,000	\$ 600,000	\$ 600,000
Bond premium payable	22,167	-	22,167	-	-
Total bonds payable	<u>1,837,167</u>	<u>-</u>	<u>1,237,167</u>	<u>600,000</u>	<u>600,000</u>
Loans payable	3,651,690	-	587,455	3,064,235	610,227
Loan premium payable	391,543	-	78,308	313,235	-
Total loans payable	<u>4,043,233</u>	<u>-</u>	<u>665,763</u>	<u>3,377,470</u>	<u>610,227</u>
Net pension liability	20,493,394	3,548,432	-	24,041,826	-
Net OPEB liability	10,830,245	-	596,392	10,233,853	-
Compensated absences	712,496	645,118	597,938	759,676	649,020
Total	<u>\$ 37,916,535</u>	<u>\$ 4,193,550</u>	<u>\$ 3,097,260</u>	<u>\$ 39,012,825</u>	<u>\$ 1,859,247</u>

NOTE 11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances –

Fire and Ambulance Excise Tax Fund:

In a prior year, the Sierra Fire District Fund, a nonmajor governmental fund, borrowed resources from the Fire and Ambulance Excise Tax Fund, a nonmajor governmental fund, to purchase fire equipment. The advance is payable over 10 years at a 3% interest rate. As of June 30, 2019, advances outstanding were \$0 and interest paid during the fiscal year was \$171.

Permanent Fund:

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

The promissory note specifies a four-year repayment term with a stated interest rate of 1.60%. Repayments began January 13, 2016 and consist of semi-annual principal payments of \$500,000 with a final maturity date of July 13, 2019. As of June 30, 2019, advances outstanding were \$500,000 and interest paid during the fiscal year was \$20,000.

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

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

	Transfers In					Total
	Major Funds					
	General Fund	Road Fund	Indigent Hospital Claims	Detention Construction Fund	Nonmajor Governmental Fund	
Transfers out						
General Fund	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 5,000	\$ 1,005,000
Detention Construction Fund	-	2,500,000	-	-	-	2,500,000
Nonmajor Governmental Funds	-	-	-	1,000,000	2,345,000	3,345,000
Total	<u>\$ -</u>	<u>\$ 3,500,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 2,350,000</u>	<u>\$ 6,850,000</u>

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

NOTE 12. CONTINGENT LIABILITIES

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

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

NOTE 13. RISK MANAGEMENT

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 13. RISK MANAGEMENT (CONTINUED)

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

The County has established a self-insured dental program for employees, employees' spouses, and their dependents. Payments are made to BenefitSource for 100% of preventative services, 80% of basic services, and 50% of major services and have a maximum of \$1,000 per enrolled person on a contract year basis. During the year, the County General Fund paid claims in the amount of \$53,806. All claims handling procedures are performed by a third-party claims administrator. Unpaid claims have not been accrued as they are not significant to the financial statements.

NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description. 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. The County participates in two PERA plans: Municipal General Plan 4 and Municipal Police Plan 5.

TIER II. The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3,

**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
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NOTE 14. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5% and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions. The contribution requirements of PERA Fund members are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. The combined employee and employer contribution rates (listed in the table above) are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. The County's contributions to the Municipal General Plan 4 and Municipal Police Plan 5 pension plans for the year ended June 30, 2019 were \$1,221,007 and \$402,468, respectively.

Contributions – See PERA's comprehensive annual financial report for Contribution provided description.

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

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

The County's proportionate share of the net pension liability for each of the County's membership groups is based on the share of the County's employer contributions relative to each membership group's total employer contributions for the fiscal year ended June 30, 2018. Only employer contributions for the pay period end dates that fell within the period of July 1, 2017 to June 30, 2018 were included in the total contributions for a specific employer. Employer contributions on behalf of the employee were excluded from the calculation. In the event that a participating employer is behind in its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions for the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

The County's proportionate share of each PERA plan's net pension liability, and each plan's annual pension expense, as of and for the year ended June 30, 2018 are shown in the table below. The County's proportionate

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

share in the Municipal General Plan 4 increased 0.0242% from the prior year and the County’s proportionate share in the Municipal Police Plan 5 decreased 0.0679% from the prior year.

PERA Plan	Net Pension Liability and Pension Expense		
	Proportionate Share of Net Pension Liability	Percent of Net Pension Liability	Pension Expense
Municipal General Plan 4	\$ 18,338,445	1.1502%	\$ 2,593,490
Municipal Police Plan 5	<u>5,703,381</u>	0.8359%	<u>737,498</u>
	<u>\$ 24,041,826</u>		<u>\$ 3,330,988</u>

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the County’s PERA Fund divisions:

	Municipal General Plan 4		Municipal Police Plan 5	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 530,018	\$ 481,470	\$ 279,210	\$ 565,353
Changes of assumptions	1,662,639	105,439	650,764	34,867
Net difference between projected and actual earnings on pension plan investments	1,360,072	-	392,474	-
Changes in proportion and differences between between contributions and proportionate share of contributions	345,507	143,982	61,128	289,649
Contributions subsequent to the measurement date	<u>1,221,007</u>	<u>-</u>	<u>402,468</u>	<u>-</u>
Total	<u>\$ 5,119,243</u>	<u>\$ 730,891</u>	<u>\$ 1,786,044</u>	<u>\$ 889,869</u>

\$1,221,007 from Municipal General Plan 4 and \$402,468 from Municipal Police Plan 5 reported as deferred outflows of resources related to pensions resulting from 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:

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

Year Ending June 30,	Municipal General Plan 4	Municipal Police Plan 5	Total
2020	\$ 2,059,148	\$ 426,079	\$ 2,485,227
2021	786,153	9,982	796,135
2022	253,063	38,079	291,142
2023	68,981	19,567	88,548
2024	-	-	-
Thereafter	-	-	-

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

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75 % all other years
Mortality Assumption	
	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

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

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

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

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

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

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the County’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%) or 1-percentage-point higher (8.25%) than the current rate:

<u>Proportionate Share of Net Pension Liability:</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Municipal General Plan 4	\$ 28,258,315	\$ 18,338,445	\$ 10,138,086
Municipal Police Plan 5	<u>8,769,460</u>	<u>5,703,381</u>	<u>3,203,801</u>
Total	<u>\$ 37,027,775</u>	<u>\$ 24,041,826</u>	<u>\$ 13,341,887</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued PERA’S financial reports.

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

Plan description. Employees of the County are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents, and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

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

Employees covered by benefit terms. At June 30, 2018, the Fund’s measurement date, the following State of New Mexico employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	<u>93,349</u>
	<u>156,025</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
	<u>93,349</u>

Contributions. Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the County were \$205,227 for the year ended June 30, 2019.

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2019, the County reported a liability of \$10,233,853 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the County’s proportion was 0.23535%.

For the year ended June 30, 2019, the County recognized OPEB income of \$49,004. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 605,910
Net Difference between actual and projected earnings on OPEB plan investments	-	127,715
Changes of assumptions	-	1,910,615
Change in Proportion	-	167,095
Contributions made after the measurement date	<u>205,227</u>	<u>-</u>
Total	<u><u>\$ 205,227</u></u>	<u><u>\$ 2,811,335</u></u>

Deferred outflows of resources totaling \$205,227 represent County contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30,	
2020	\$ (707,245)
2021	(707,245)
2022	(707,245)
2023	(554,234)
2024	<u>(135,366)</u>
Total	<u><u>\$ (2,811,335)</u></u>

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

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

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	20%	2.1%
U.S. equity - large cap	20%	7.7%
Non U.S. - emerging markets	15%	10.2%
Non U.S. - developed equities	12%	7.8%
Private equity	10%	11.8%
Credit and structured finance	10%	5.3%
Real estate	5%	4.9%
Absolute return	5%	4.1%
U.S. equity - small/mid cap	3%	7.1%

Discount Rate. The discount rate used to measure the Fund’s total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer

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

contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the **current discount rate**:

<u>1% Decrease (3.08%)</u>	<u>Current Discount (4.08%)</u>	<u>1% Increase (5.08%)</u>
\$ 12,385,372	\$ 10,233,853	\$ 8,537,977

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

<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
\$ 8,651,194	\$ 10,233,853	\$ 11,474,693

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2018.

NOTE 16. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS

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

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

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

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

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NOTE 16. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS (CONTINUED)

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

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect future financial statements.

NOTE 17. TAX ABATEMENTS

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

Industrial Revenue Bonds. Under the Industrial Revenue Bond Act [3-32 NMSA 1978], the Board of Commissioners or the City Council can vote to induce an industrial revenue bond in order to induce a manufacturing, industrial, or commercial enterprise to locate or expand in that region, by financing a specified project. The County or the City may include in the agreement a stipulation of an amount or a percentage reduction of property taxes, which can be as much as 100%. This reduction or exemption is applicable for the life of the bond issue, not to exceed 30 years from the date the bonds were issued and is a significant benefit for borrowers that would not otherwise qualify for a property tax exemption under other constitutional or statutory provisions. Information relevant to disclosure of those programs for the fiscal year ended June 30, 2019 are presented on the following pages:

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NOTE 17. TAX ABATEMENTS (CONTINUED)

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

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NOTE 17. TAX ABATEMENTS (CONTINUED)

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

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
JUNE 30, 2019**

Modified Approach for County Streets Infrastructure Capital Assets

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

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

Chaves County maintains 499.13 miles of chip sealed/paved roadways and 900.443 miles of unpaved roadways. The goal of the Chaves County Road Department is to develop and provide a cost-effective pavement maintenance and rehabilitation program that preserves the County’s investment in its road network and enhances public transportation and safety. The chip sealed roadway surface on the County’s paved roads is expected to have a life of approximately 10 years. In order to prevent the chip seal road surface from failing completely, and requiring complete reconstruction, the County attempts to resurface these roads every 7 years. This goal requires the County to resurface approximately 71.3 miles of paved roads each year.

Due to the increasing road maintenance material costs, increasing fuel and labor costs and relatively flat road revenues, Chaves County, in recent years, has not been able to meet these goals. Chaves County was able to complete 72.77 miles in the current fiscal year. Next year’s goal will be to pave 75.41 miles, costing \$1,034,500 (with the LGRF Funding portion covering \$494,593), leaving Chaves County with a remaining balance of \$539,907. The NMDOT LGRF funding for Chaves County has increased by 2% over the last year which will allow the County to perform more chip seal applications without encountering as much cost to the County.

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
JUNE 30, 2019**

The following conditions were defined:

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

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

Condition	RSL Range	2018-19 % of Road	2015-16 % of Road
Excellent - Very Good	20 - 10	0.00%	3.92%
Good - Above Average	10 - 8	42.55%	73.89%
Average	8 - 6	15.36%	16.28%
Below Average - Poor	6 - 4	19.10%	4.42%
Very poor - Needs immediate work	4 - 0	22.39%	1.49%
Average RSL Rating		8.47%	9.78%

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

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

In fiscal year 2019, thirteen (13) County roads (8.304 miles) were vacated and removed from inventory for a total of 101.536 miles. Fourteen (14) unpaved County roads (11.03 miles) were chip sealed utilizing County funds and added to the paved/chip sealed list for a total of 499.13 miles. To date 61.74 miles have been chip sealed utilizing the Local Government Road Fund Program funding. The County has not reached its re-surfacing goal of 75 miles with only 72.77 miles resurfaced to date through June 30, 2019.

**STATE OF NEW MEXICO
CHAVES COUNTY
INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
JUNE 30, 2019**

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

Fiscal Year	Estimated Miles	Actual Miles	Estimated Expenditures	Actual Expenditures
2012/2013	76.61	23.81	\$ 1,440,268	\$ 760,931
2013/2014	45.00	64.34	1,330,653	1,004,275
2014/2015	64.00	40.29	1,084,833	934,629
2015/2016	88.00	80.54	1,547,070	1,727,689
2016/2017	101.50	35.19	1,427,312	679,225
2017/2018	65.48	4.49	1,235,501	85,000
2018/2019	75.00	72.77	1,432,986	1,311,024
2019/2020	60.00	N/A	1,080,960	N/A

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

Fiscal Year Measurement Date	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Municipal General Plan					
County's proportion of the net pension liability	1.1502%	1.1260%	1.1520%	1.1300%	1.0899%
County's proportionate share of the net pension liability	\$ 18,338,445	\$ 15,472,192	\$ 18,405,083	\$ 11,347,999	\$ 8,502,390
County's covered payroll	\$ 7,831,635	\$ 8,135,052	\$ 7,830,984	\$ 7,319,075	\$ 6,948,721
County's proportionate share of the net pension liability as a percentage of its covered payroll	234.16%	190.19%	235.03%	155.05%	122.36%
Municipal Police Plan					
County's proportion of the net pension liability	0.83590%	0.90380%	0.90530%	0.87740%	0.77530%
County's proportionate share of the net pension liability	\$ 5,703,381	\$ 5,021,202	\$ 6,679,573	\$ 4,219,031	\$ 2,527,394
County's covered payroll	\$ 1,792,067	\$ 1,932,311	\$ 1,805,938	\$ 1,720,334	\$ 1,493,108
County's proportionate share of the net pension liability as a percentage of its covered payroll	318.26%	259.85%	369.87%	245.24%	169.27%
County Total					
County's proportionate share of the net pension liability	\$ 24,041,826	\$ 20,493,394	\$ 25,084,656	\$ 15,567,030	\$ 11,029,784
County's covered payroll	\$ 9,623,702	\$ 10,067,363	\$ 9,636,922	\$ 9,039,409	\$ 8,441,829
County's proportionate share of the net pension liability as a percentage of its covered payroll	249.82%	203.56%	260.30%	172.21%	130.66%
Plan fiduciary net position as a percentage of total pension liability	71.13%	69.18%	61.58%	76.99%	81.29%

*See Notes to Required
Supplementary Information.*

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

	June 30,				
	2019	2018	2017	2016	2015
Municipal General Plan					
Contractually required contributions	\$ 1,221,007	\$ 1,195,678	\$ 980,274	\$ 943,634	\$ 881,948
Contributions in relation to contractually required contributions	<u>\$ 1,221,007</u>	<u>\$ 1,195,678</u>	<u>\$ 980,274</u>	<u>\$ 943,634</u>	<u>\$ 881,948</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Municipal Police Plan					
Contractually required contributions	\$ 402,468	\$ 394,341	\$ 365,207	\$ 341,220	\$ 325,143
Contributions in relation to contractually required contributions	<u>\$ 402,468</u>	<u>\$ 394,341</u>	<u>\$ 365,207</u>	<u>\$ 341,220</u>	<u>\$ 325,143</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County Total					
Contractually required contributions	\$ 1,623,475	\$ 1,590,019	\$ 1,345,481	\$ 1,284,854	\$ 1,207,091
Contributions in relation to contractually required contributions	<u>\$ 1,623,475</u>	<u>\$ 1,590,019</u>	<u>\$ 1,345,481</u>	<u>\$ 1,284,854</u>	<u>\$ 1,207,091</u>
Contribution deficiency (excess)	<u>\$ -</u>				

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

See Notes to Required
Supplementary Information.

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

	Fiscal Year Measurement Date	2019 2018	2018 2017
Proportion of the net OPEB liability		0.23535%	0.23899%
Proportionate share of the net OPEB liability		\$ 10,233,853	\$ 10,830,245
Covered payroll		\$ 10,097,967	\$ 9,955,481
Proportionate share of the net OPEB liability as a percentage of covered payroll		101.35%	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability		13.14%	11.34%

requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available. The first year available is fiscal year 2018.

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

	June 30,	
	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 367,774	\$ 758,905
Contributions in relation to the contractually required contribution	<u>\$ 363,283</u>	<u>\$ 380,886</u>
Contribution deficiency	<u>\$ 4,491</u>	<u>\$ 378,019</u>
Covered payroll	\$10,097,967	\$ 9,955,481
Contributions as a percentage of covered payroll	3.60%	3.83%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available. The first year available is fiscal year 2018.

STATE OF NEW MEXICO
CHAVES COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2019

NOTE 1. PENSION PLAN SCHEDULES

PERA PLAN

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

Changes of benefit assumptions. The PERA Annual Actuarial Valuations as of the June 2018 report is available at <http://www.nmpera.org>.

RHCA PLAN

Changes in benefit provisions. There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

Changes in assumptions and methods. The actuary removed 4,010 members that were deemed participants of non-participating employers. There were no other modifications to the assumptions and methods that were reflected in the actuarial valuation at June 30, 2018.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 986,203	\$ 21,598	\$ 171,739	\$ 1,179,540
Cash and cash equivalents - restricted	-	-	-	-
Investments	8,775,572	1,673,157	-	10,448,729
Investments - restricted	-	600,000	-	600,000
Receivables	688,193	541,854	-	1,230,047
Inventory	-	-	-	-
Prepaid items	36,514	-	-	36,514
Interfund advances receivable	-	-	150,000	150,000
Total assets	<u>\$ 10,486,482</u>	<u>\$ 2,836,609</u>	<u>\$ 321,739</u>	<u>\$ 13,644,830</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 196,595	\$ -	\$ -	\$ 196,595
Accrued payroll	94,414	-	-	94,414
Unearned revenues	-	-	-	-
Interfund advances payable	285,000	150,000	-	435,000
Total liabilities	<u>576,009</u>	<u>150,000</u>	<u>-</u>	<u>726,009</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	84,257	-	-	84,257
FUND BALANCES				
Nonspendable	36,514	-	-	36,514
Restricted	8,098,428	2,686,609	-	10,785,037
Committed	1,691,274	-	321,739	2,013,013
Unassigned	-	-	-	-
Total fund balances	<u>9,826,216</u>	<u>2,686,609</u>	<u>321,739</u>	<u>12,834,564</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,486,482</u>	<u>\$ 2,836,609</u>	<u>\$ 321,739</u>	<u>\$ 13,644,830</u>

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

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 1,466,743	\$ -	\$ -	\$ 1,466,743
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	673,103	2,589,787	-	3,262,890
State grants and contributions	3,581,087	-	-	3,581,087
Federal grants and contributions	135,325	-	-	135,325
Charges for services	397,487	-	-	397,487
Licenses and fees	109,642	-	-	109,642
Investment income	8,974	20,813	-	29,787
Other	86,876	-	-	86,876
Total revenues	<u>6,459,237</u>	<u>2,610,600</u>	<u>-</u>	<u>9,069,837</u>
EXPENDITURES				
Current				
General government	312,577	83,965	-	396,542
Public safety	2,010,339	-	154,472	2,164,811
Public works	959,269	-	-	959,269
Culture and recreation	-	-	-	-
Health and welfare	233,323	-	-	233,323
Capital outlay	2,096,167	-	655,768	2,751,935
Debt service				
Principal	107,455	1,215,000	-	1,322,455
Interest and fees	31,077	49,581	-	80,658
Total expenditures	<u>5,750,207</u>	<u>1,348,546</u>	<u>810,240</u>	<u>7,908,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>709,030</u>	<u>1,262,054</u>	<u>(810,240)</u>	<u>1,160,844</u>
Other financing sources (uses)				
Transfers in	30,000	1,270,000	1,050,000	2,350,000
Transfers out	(25,000)	(3,320,000)	-	(3,345,000)
Total other financing sources (uses)	<u>5,000</u>	<u>(2,050,000)</u>	<u>1,050,000</u>	<u>(995,000)</u>
Change in fund balances	714,030	(787,946)	239,760	165,844
Fund balances, beginning of year	<u>9,112,186</u>	<u>3,474,555</u>	<u>81,979</u>	<u>12,668,720</u>
Fund balances, end of year	<u>\$ 9,826,216</u>	<u>\$ 2,686,609</u>	<u>\$ 321,739</u>	<u>\$ 12,834,564</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS
JUNE 30, 2019**

The following special revenue funds are maintained by the County:

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

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

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

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

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

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

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

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

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

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

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

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS
JUNE 30, 2019**

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

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

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

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	Farm and Range	Recreation	Dunken Fire District	East Grand Plains Fire District
ASSETS				
Cash and cash equivalents	\$ 740	\$ 3,161	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	-	389,365	268,510
Investments - restricted	-	-	-	-
Receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	2,783	4,486
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 740</u>	<u>\$ 3,161</u>	<u>\$ 392,148</u>	<u>\$ 272,996</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 899	\$ 2,686
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>899</u>	<u>2,686</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	2,783	4,486
Restricted	740	3,161	388,466	265,824
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>740</u>	<u>3,161</u>	<u>391,249</u>	<u>270,310</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 740</u>	<u>\$ 3,161</u>	<u>\$ 392,148</u>	<u>\$ 272,996</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019**

	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	632,406	370,669	557,357	402,453
Investments - restricted	-	-	-	-
Receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	3,331	4,527	3,864	5,271
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 635,737</u>	<u>\$ 375,196</u>	<u>\$ 561,221</u>	<u>\$ 407,724</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,140	\$ 31,962	\$ 15,469	\$ 34,454
Accrued payroll	-	-	415	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>3,140</u>	<u>31,962</u>	<u>15,884</u>	<u>34,454</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	3,331	4,527	3,864	5,271
Restricted	629,266	338,707	541,473	367,999
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>632,597</u>	<u>343,234</u>	<u>545,337</u>	<u>373,270</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 635,737</u>	<u>\$ 375,196</u>	<u>\$ 561,221</u>	<u>\$ 407,724</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019**

	Rio Felix Fire District	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 8,775
Cash and cash equivalents - restricted	-	-	-	-
Investments	173,786	118,018	2,594,363	-
Investments - restricted	-	-	-	-
Receivables	-	-	66,938	-
Inventory	-	-	-	-
Prepaid items	2,668	3,115	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 176,454</u>	<u>\$ 121,133</u>	<u>\$ 2,661,301</u>	<u>\$ 8,775</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,068	\$ 10,319	\$ -	\$ 8,775
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	<u>2,068</u>	<u>10,319</u>	<u>-</u>	<u>8,775</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	2,668	3,115	-	-
Restricted	171,718	107,699	2,661,301	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>174,386</u>	<u>110,814</u>	<u>2,661,301</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 176,454</u>	<u>\$ 121,133</u>	<u>\$ 2,661,301</u>	<u>\$ 8,775</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019**

	Public Safety Grant	DWI Grant	Sheriff Forfeiture	Correction
ASSETS				
Cash and cash equivalents	\$ 19,514	\$ 29,532	\$ 21,783	\$ 222,724
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	-	-	-
Investments - restricted	-	-	-	-
Receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	433	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 19,514</u>	<u>\$ 29,965</u>	<u>\$ 21,783</u>	<u>\$ 222,724</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 59	\$ 31,235	\$ -	\$ 1,409
Accrued payroll	5,057	(1,574)	-	27,032
Unearned revenues	-	-	-	-
Interfund advances payable	10,000	-	-	-
Total liabilities	<u>15,116</u>	<u>29,661</u>	<u>-</u>	<u>28,441</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	-	433	-	-
Restricted	4,398	(129)	-	194,283
Committed	-	-	21,783	-
Unassigned	-	-	-	-
Total fund balances	<u>4,398</u>	<u>304</u>	<u>21,783</u>	<u>194,283</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,514</u>	<u>\$ 29,965</u>	<u>\$ 21,783</u>	<u>\$ 222,724</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019**

	Environmental	Flood Control	Road Special Construction	Clerk Recording and Filing
ASSETS				
Cash and cash equivalents	\$ 22,476	\$ -	\$ -	\$ 219,104
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	2,060,143	470,730	-
Investments - restricted	-	-	-	-
Receivables	33,468	98,685	65,000	-
Inventory	-	-	-	-
Prepaid items	196	5,644	-	-
Interfund advances receivable	-	-	-	-
Total assets	\$ 56,140	\$ 2,164,472	\$ 535,730	\$ 219,104
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 11,805	\$ 26,370	\$ -	\$ 991
Accrued payroll	3,281	40,366	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	-	-	-
Total liabilities	15,086	66,736	-	991
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	84,257	-	-
FUND BALANCES				
Nonspendable	196	5,644	-	-
Restricted	40,858	2,007,835	-	-
Committed	-	-	535,730	218,113
Unassigned	-	-	-	-
Total fund balances	41,054	2,013,479	535,730	218,113
Total liabilities, deferred inflows of resources and fund balances	\$ 56,140	\$ 2,164,472	\$ 535,730	\$ 219,104

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019**

	Property Valuation	Other Grants and Contracts	CDBG	Restricted Health Services
ASSETS				
Cash and cash equivalents	\$ 200,000	\$ 238,394	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	-	-
Investments	737,772	-	-	-
Investments - restricted	-	-	-	-
Receivables	-	424,102	-	-
Inventory	-	-	-	-
Prepaid items	196	-	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 937,968</u>	<u>\$ 662,496</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,287	\$ 12,667	\$ -	\$ -
Accrued payroll	19,837	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	275,000	-	-
Total liabilities	<u>22,124</u>	<u>287,667</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	196	-	-	-
Restricted	-	374,829	-	-
Committed	915,648	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>915,844</u>	<u>374,829</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 937,968</u>	<u>\$ 662,496</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019**

	Totals
ASSETS	
Cash and cash equivalents	\$ 986,203
Cash and cash equivalents - restricted	-
Investments	8,775,572
Investments - restricted	-
Receivables	688,193
Inventory	-
Prepaid items	36,514
Interfund advances receivable	-
Total assets	\$ 10,486,482
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 196,595
Accrued payroll	94,414
Unearned revenues	-
Interfund advances payable	285,000
Total liabilities	576,009
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	84,257
FUND BALANCES	
Nonspendable	36,514
Restricted	8,098,428
Committed	1,691,274
Unassigned	-
Total fund balances	9,826,216
Total liabilities, deferred inflows of resources and fund balances	\$ 10,486,482

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

	Farm and Range	Recreation	Dunken Fire District	East Grand Plains Fire District
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
State grants and contributions	-	-	76,656	170,343
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	-	19	4,471
Total revenues	<u>-</u>	<u>-</u>	<u>76,675</u>	<u>174,814</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	18,444	47,334
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,000	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	39,056
Interest and fees	-	-	-	7,996
Total expenditures	<u>1,000</u>	<u>-</u>	<u>18,444</u>	<u>94,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,000)</u>	<u>-</u>	<u>58,231</u>	<u>80,428</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(2,000)	(4,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(4,000)</u>
Change in fund balances	(1,000)	-	56,231	76,428
Fund balances, beginning of year	<u>1,740</u>	<u>3,161</u>	<u>335,018</u>	<u>193,882</u>
Fund balances, end of year	<u>\$ 740</u>	<u>\$ 3,161</u>	<u>\$ 391,249</u>	<u>\$ 270,310</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Penasco Fire District	Midway Fire District	Berrendo Fire District	Sierra Fire District
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
State grants and contributions	184,822	146,557	198,290	348,167
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	800	333	17,832	12,911
Total revenues	<u>185,622</u>	<u>146,890</u>	<u>216,122</u>	<u>361,078</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	30,054	105,925	231,360	258,377
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	7,656	-	53,471
Interest and fees	-	3,260	-	18,663
Total expenditures	<u>30,054</u>	<u>116,841</u>	<u>231,360</u>	<u>330,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>155,568</u>	<u>30,049</u>	<u>(15,238)</u>	<u>30,567</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(3,000)	(4,000)	(5,000)	(4,000)
Total other financing sources (uses)	<u>(3,000)</u>	<u>(4,000)</u>	<u>(5,000)</u>	<u>(4,000)</u>
Change in fund balances	152,568	26,049	(20,238)	26,567
Fund balances, beginning of year	<u>480,029</u>	<u>317,185</u>	<u>565,575</u>	<u>346,703</u>
Fund balances, end of year	<u>\$ 632,597</u>	<u>\$ 343,234</u>	<u>\$ 545,337</u>	<u>\$ 373,270</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Rio Felix Fire District	Chaves County Fire District #8	Fire and Ambulance Excise Tax	Law Enforcement Grant
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	446,243	-
State grants and contributions	53,945	89,430	-	41,600
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	8,974	-
Other	-	4,767	-	-
Total revenues	<u>53,945</u>	<u>94,197</u>	<u>455,217</u>	<u>41,600</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	16,063	76,550	-	41,600
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	29,983	-
Debt service				
Principal	-	7,272	-	-
Interest and fees	-	1,158	-	-
Total expenditures	<u>16,063</u>	<u>84,980</u>	<u>29,983</u>	<u>41,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,882</u>	<u>9,217</u>	<u>425,234</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	30,000	-
Transfers out	(1,000)	(2,000)	-	-
Total other financing sources (uses)	<u>(1,000)</u>	<u>(2,000)</u>	<u>30,000</u>	<u>-</u>
Change in fund balances	36,882	7,217	455,234	-
Fund balances, beginning of year	<u>137,504</u>	<u>103,597</u>	<u>2,206,067</u>	<u>-</u>
Fund balances, end of year	<u>\$ 174,386</u>	<u>\$ 110,814</u>	<u>\$ 2,661,301</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Public Safety Grant	DWI Grant	Sheriff Forfeiture	Correction
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
State grants and contributions	18,425	404,986	-	132,209
Federal grants and contributions	5,325	-	-	-
Charges for services	8,132	-	-	-
Licenses and fees	-	109,642	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>31,882</u>	<u>514,628</u>	<u>-</u>	<u>132,209</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	38,959	591,547	-	169,383
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>38,959</u>	<u>591,547</u>	<u>-</u>	<u>169,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,077)</u>	<u>(76,919)</u>	<u>-</u>	<u>(37,174)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(7,077)</u>	<u>(76,919)</u>	<u>-</u>	<u>(37,174)</u>
Fund balances, beginning of year	<u>11,475</u>	<u>77,223</u>	<u>21,783</u>	<u>231,457</u>
Fund balances, end of year	<u>\$ 4,398</u>	<u>\$ 304</u>	<u>\$ 21,783</u>	<u>\$ 194,283</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Environmental	Flood Control	Road Special Construction	Clerk Recording and Filing
REVENUES				
Property taxes	\$ -	\$ 1,466,743	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	226,860	-	-	-
State grants and contributions	-	-	-	-
Federal grants and contributions	-	-	130,000	-
Charges for services	-	-	-	63,224
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	-	25,990	48	-
Total revenues	<u>226,860</u>	<u>1,492,733</u>	<u>130,048</u>	<u>63,224</u>
EXPENDITURES				
Current				
General government	-	-	-	41,580
Public safety	-	-	-	-
Public works	-	959,269	-	-
Culture and recreation	-	-	-	-
Health and welfare	232,323	-	-	-
Capital outlay	-	658,326	218,098	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>232,323</u>	<u>1,617,595</u>	<u>218,098</u>	<u>41,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,463)</u>	<u>(124,862)</u>	<u>(88,050)</u>	<u>21,644</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	(5,463)	(124,862)	(88,050)	21,644
Fund balances, beginning of year	<u>46,517</u>	<u>2,138,341</u>	<u>623,780</u>	<u>196,469</u>
Fund balances, end of year	<u>\$ 41,054</u>	<u>\$ 2,013,479</u>	<u>\$ 535,730</u>	<u>\$ 218,113</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Property Valuation	Other Grants and Contracts	CDBG	Restricted Health Services
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	-	-	-
State grants and contributions	-	1,715,657	-	-
Federal grants and contributions	-	-	-	-
Charges for services	326,131	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Other	1,600	18,105	-	-
Total revenues	<u>327,731</u>	<u>1,733,762</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General government	270,997	-	-	-
Public safety	-	384,743	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	1,189,760	-	-
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>270,997</u>	<u>1,574,503</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>56,734</u>	<u>159,259</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	56,734	159,259	-	-
Fund balances, beginning of year	859,110	215,570	-	-
Fund balances, end of year	<u>\$ 915,844</u>	<u>\$ 374,829</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Totals
REVENUES	
Property taxes	\$ 1,466,743
Gasoline and motor vehicles taxes	-
Gross receipts tax	673,103
State grants and contributions	3,581,087
Federal grants and contributions	135,325
Charges for services	397,487
Licenses and fees	109,642
Investment income	8,974
Other	86,876
Total revenues	6,459,237
EXPENDITURES	
Current	
General government	312,577
Public safety	2,010,339
Public works	959,269
Culture and recreation	-
Health and welfare	233,323
Capital outlay	2,096,167
Debt service	
Principal	107,455
Interest and fees	31,077
Total expenditures	5,750,207
Excess (deficiency) of revenues over (under) expenditures	709,030
Other financing sources (uses)	
Transfers in	30,000
Transfers out	(25,000)
Total other financing sources (uses)	5,000
Change in fund balances	714,030
Fund balances, beginning of year	9,112,186
Fund balances, end of year	\$ 9,826,216

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR DEBT SERVICE FUNDS DESCRIPTIONS
JUNE 30, 2019**

The following debt service funds are maintained by the County:

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

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2019**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ 21,598	\$ -	\$ -	\$ 21,598
Cash and cash equivalents - restricted	-	-	-	-
Investments	-	1,673,157	-	1,673,157
Investments - restricted	-	600,000	-	600,000
Receivables	-	541,854	-	541,854
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Interfund advances receivable	-	-	-	-
Total assets	<u>\$ 21,598</u>	<u>\$ 2,815,011</u>	<u>\$ -</u>	<u>\$ 2,836,609</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Interfund advances payable	-	150,000	-	150,000
Total liabilities	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	21,598	2,665,011	-	2,686,609
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>21,598</u>	<u>2,665,011</u>	<u>-</u>	<u>2,686,609</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,598</u>	<u>\$ 2,815,011</u>	<u>\$ -</u>	<u>\$ 2,836,609</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDING JUNE 30, 2019**

	2007 Refunding Bonds	Revenue Bond #2	Revenue Bond Reserve	Totals
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicles taxes	-	-	-	-
Gross receipts tax	-	2,589,787	-	2,589,787
State grants and contributions	-	-	-	-
Federal grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	20,813	-	20,813
Other	-	-	-	-
Total revenues	<u>-</u>	<u>2,610,600</u>	<u>-</u>	<u>2,610,600</u>
EXPENDITURES				
Current				
General government	-	83,965	-	83,965
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	1,215,000	-	-	1,215,000
Interest and fees	49,581	-	-	49,581
Total expenditures	<u>1,264,581</u>	<u>83,965</u>	<u>-</u>	<u>1,348,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,264,581)</u>	<u>2,526,635</u>	<u>-</u>	<u>1,262,054</u>
Other financing sources (uses)				
Transfers in	1,270,000	-	-	1,270,000
Transfers out	-	(3,320,000)	-	(3,320,000)
Total other financing sources (uses)	<u>1,270,000</u>	<u>(3,320,000)</u>	<u>-</u>	<u>(2,050,000)</u>
Change in fund balances	5,419	(793,365)	-	(787,946)
Fund balances, beginning of year	<u>16,179</u>	<u>3,458,376</u>	<u>-</u>	<u>3,474,555</u>
Fund balances, end of year	<u>\$ 21,598</u>	<u>\$ 2,665,011</u>	<u>\$ -</u>	<u>\$ 2,686,609</u>

See Accompanying Notes.

**STATE OF NEW MEXICO
CHAVES COUNTY
NONMAJOR CAPITAL PROJECTS FUND DESCRIPTION
JUNE 30, 2019**

The following capital projects fund is maintained by the County:

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

STATE OF NEW MEXICO
 CHAVES COUNTY
 BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUND
 JUNE 30, 2019

	Emergency Capital Outlay
ASSETS	
Cash and cash equivalents	\$ 171,739
Cash and cash equivalents - restricted	-
Investments	-
Investments - restricted	-
Receivables	-
Inventory	-
Prepaid items	-
Interfund advances receivable	150,000
Total assets	\$ 321,739
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ -
Accrued payroll	-
Unearned revenues	-
Interfund advances payable	-
Total liabilities	-
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	-
 FUND BALANCES	
Nonspendable	-
Restricted	-
Committed	321,739
Unassigned	-
Total fund balances	321,739
Total liabilities, deferred inflows of resources and fund balances	\$ 321,739

STATE OF NEW MEXICO
 CHAVES COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Emergency Capital Outlay</u>
REVENUES	
Property taxes	\$ -
Gasoline and motor vehicles taxes	-
Gross receipts tax	-
State grants and contributions	-
Federal grants and contributions	-
Charges for services	-
Licenses and fees	-
Investment income	-
Other	-
Total revenues	<u>-</u>
EXPENDITURES	
Current	
General government	-
Public safety	154,472
Public works	-
Culture and recreation	-
Health and welfare	-
Capital outlay	655,768
Debt service	
Principal	-
Interest and fees	-
Total expenditures	<u>810,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(810,240)</u>
Other financing sources	
Transfers in	1,050,000
Transfers out	-
Total other financing sources	<u>1,050,000</u>
Change in fund balances	239,760
Fund balances, beginning of year	<u>81,979</u>
Fund balances, end of year	<u><u>\$ 321,739</u></u>

OTHER SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CHAVES COUNTY
AGENCY FUNDS DESCRIPTION
JUNE 30, 2019**

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

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS
AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Balance <u>June 30, 2018</u>	Additions	Deductions	Balance <u>June 30, 2019</u>
ASSETS				
Cash and cash equivalents	\$ 473,762	\$ 10,714,742	\$ (10,636,121)	\$ 552,383
Property taxes receivable	<u>1,812,284</u>	<u>34,325,632</u>	<u>(34,495,934)</u>	<u>1,641,982</u>
Total assets	<u>\$ 2,286,046</u>	<u>\$ 45,040,374</u>	<u>\$ (45,132,055)</u>	<u>\$ 2,194,365</u>
LIABILITIES				
Deposits held for others	\$ 76,049	\$ 47,339	\$ (79,389)	\$ 43,999
Due to taxing entities	<u>2,209,997</u>	<u>11,239,777</u>	<u>(11,299,408)</u>	<u>2,150,366</u>
Total liabilities	<u>\$ 2,286,046</u>	<u>\$ 11,287,116</u>	<u>\$ (11,378,797)</u>	<u>\$ 2,194,365</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2019**

Banking Institution	Account Type	Total Deposits and Investments	Reconciling Items	Reconciled Balance
James Polk Stone Community Bank	Checking	\$ 43	\$ -	\$ 43
James Polk Stone Community Bank	Checking	2,059	(396)	1,663
Insight Investments (BNY Mellon)	Municipal Securities	500,000	-	500,000
Insight Investments (BNY Mellon)	FHLB	7,111,307	-	7,111,307
Insight Investments (BNY Mellon)	FNMA	6,741,506	-	6,741,506
Insight Investments (BNY Mellon)	FHLMC	7,649,790	-	7,649,790
Insight Investments (BNY Mellon)	FFCB	8,098,033	-	8,098,033
Insight Investments (BNY Mellon)	Money Market	44,532	-	44,532
Insight Investments (BNY Mellon)	Corporate	18,956,467	-	18,956,467
Insight Investments (BNY Mellon)	Treasury Notes	15,820,980	-	15,820,980
NM State Investment Pool	State Treasurer LGIP	284,885	-	284,885
Pioneer Bank	Checking	250,000	(302,451)	(52,451)
Pioneer Bank	Checking	10,302	(9,372)	930
Pioneer Bank	Checking	44,139	(141)	43,998
Pioneer Bank	Commercial Checking	200,000	-	200,000
Pioneer Bank	Commercial Checking	405,730	-	405,730
Pioneer Bank	Commercial Checking	100,000	-	100,000
Pioneer Bank	Sweep	11,027,435	-	11,027,435
Washington Federal	Money Market	1,617	-	1,617
Wells Fargo/Advisors	Money Market	7,390	-	7,390
NMFA	NMFA Pooled Debt Service Account	482,836	-	482,836
		<u>\$ 77,739,051</u>	<u>\$ (312,360)</u>	<u>77,426,691</u>
			Petty cash	750
Cash and Investments (includes restricted) per Government-wide Financial Statements and Agency Funds				<u>\$ 77,427,441</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF COLLATERAL PLEDGED
JUNE 30, 2019**

	James Polk Stone Community Bank	Pioneer Bank	Pioneer Bank - Sweep	Wells Fargo	Insight Investment	Washington Federal	Total
Bank Accounts:							
Demand deposit accounts	\$ 2,102	\$ 1,010,171	\$ -	\$ -	\$ -	\$ -	\$ 1,012,273
Time and savings accounts	-	-	-	7,390	44,532	1,617	53,539
Repurchase Agreements	-	-	11,027,435	-	-	-	11,027,435
Total amount of deposits	<u>2,102</u>	<u>1,010,171</u>	<u>11,027,435</u>	<u>7,390</u>	<u>44,532</u>	<u>1,617</u>	<u>12,093,247</u>
FDIC coverage	(2,102)	(250,000)	-	(7,390)	(44,532)	(1,617)	(305,641)
Total uninsured public funds	<u>-</u>	<u>760,171</u>	<u>11,027,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,787,606</u>
Collateral requirements (per 6-10-10 & 6-10-17, NMSA 1978):							
50% of uninsured time and demand accounts	-	380,086	-	-	-	-	380,086
102% of repurchase agreement	-	-	11,247,984	-	-	-	11,247,984
Pledged collateral at fair market value:							
<u>Type</u>	<u>Description</u>	<u>Maturity</u>	<u>CUSIP Number</u>				
Note	FFCB	1/11/2024	3133EGKS3	-	4,898,840	-	4,898,840
Note	FFCB	2/16/2024	3133EFA23	-	6,459,546	-	6,459,546
Note	FHLB Call After 10/20/16 (2)	1/20/2023	3130A8PU1	-	1,250,004	-	1,250,004
Note	FHLB Call Quarterly (2)	5/8/2020	3133812C8	-	104,537	-	104,537
Bond	FHLB Call After 1/12/16 (2)	11/28/2022	313381BJ3	-	700,020	-	700,020
Note	FFCB Nonc (2)	12/13/2022	3133EC7C2	-	3,278,718	-	3,278,718
Note	FHLMC #G18627	1/1/2032	3128MMVV2	-	2,173,687	-	2,173,687
Note	FNMA PL#BC2636 (3)	11/1/2046	3140EW4W2	-	-	22,493	22,493
	Total collateral			<u>-</u>	<u>7,506,966</u>	<u>11,358,386</u>	<u>-</u>
	Over / (under) secured			<u>\$ -</u>	<u>\$ 7,126,880</u>	<u>\$ 110,402</u>	<u>\$ -</u>
Custodial Credit Risk							
Insured				\$ 2,102	\$ 250,000	\$ -	\$ 7,390
Collateralized with securities held by pledging financial institution's trust department				-	7,506,966	11,358,386	-
Uninsured and uncollateralized				-	(6,746,795)	(330,951)	-
Total deposits				<u>\$ 2,102</u>	<u>\$ 1,010,171</u>	<u>\$ 11,027,435</u>	<u>\$ 7,390</u>

Location of collateral:

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

STATE OF NEW MEXICO
 CHAVES COUNTY
 TAX ROLL RECONCILIATION OF CHANGES IN THE COUNTY
 TREASURER'S PROPERTY TAX RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2019

Property taxes receivable, beginning of year	\$ 2,414,159
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year	33,671,543
Adjustments:	
Increases in taxes receivable	3,087
Subtraction of 2008 Taxes Outstanding (7-38-81.1.C NMSA 1978)	<u>(3,716)</u>
Total receivables prior to collections	36,085,073
 Collections for fiscal year ended June 30, 2019	 <u>(33,753,258)</u>
 Property taxes receivable, end of year	 <u><u>\$ 2,331,815</u></u>

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

	2009	\$ 4,618
	2010	4,572
	2011	5,695
	2012	30,930
	2013	13,647
	2014	26,852
	2015	95,969
	2016	201,565
	2017	595,412
	2018	<u>1,352,555</u>
Total taxes receivable, net		<u><u>\$ 2,331,815</u></u>

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

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Chaves County:						
County Operational Non-Res.						
2009-2017	\$ 43,498,255	\$ 162,043	\$ 43,352,124	\$ 189,045	\$ 43,336,144	\$ 144,520
2018	<u>5,654,256</u>	<u>5,494,735</u>	<u>5,494,735</u>	<u>5,465,716</u>	<u>5,453,914</u>	<u>159,520</u>
Total	<u>49,152,511</u>	<u>5,656,778</u>	<u>48,846,859</u>	<u>5,654,761</u>	<u>48,790,058</u>	<u>304,040</u>
County Operational Res.						
2009-2017	31,916,349	185,808	31,806,379	225,926	31,778,580	109,566
2018	<u>3,661,172</u>	<u>3,483,631</u>	<u>3,483,631</u>	<u>3,442,631</u>	<u>3,425,070</u>	<u>177,540</u>
Total	<u>35,577,521</u>	<u>3,669,439</u>	<u>35,290,010</u>	<u>3,668,557</u>	<u>35,203,650</u>	<u>287,106</u>
County Debt Service						
2009-2017	-	-	-	-	-	-
2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Flood Control						
2009-2017	11,524,075	70,171	11,487,777	84,836	11,478,132	36,029
2018	<u>1,460,515</u>	<u>1,397,859</u>	<u>1,397,859</u>	<u>1,384,014</u>	<u>1,378,386</u>	<u>62,656</u>
Total	<u>12,984,590</u>	<u>1,468,030</u>	<u>12,885,636</u>	<u>1,468,850</u>	<u>12,856,518</u>	<u>98,685</u>
Total Chaves County	<u>84,730,032</u>	<u>9,326,217</u>	<u>84,136,869</u>	<u>9,323,318</u>	<u>83,993,708</u>	<u>689,831</u>
State of New Mexico:						
State Debt						
2009-2017	12,951,828	70,506	12,903,371	84,520	12,893,953	48,205
2018	<u>1,676,367</u>	<u>1,610,428</u>	<u>1,610,427</u>	<u>1,596,247</u>	<u>1,590,257</u>	<u>65,937</u>
Total	<u>14,628,195</u>	<u>1,680,934</u>	<u>14,513,798</u>	<u>1,680,767</u>	<u>14,484,210</u>	<u>114,142</u>
Cattle						
2009-2017	630,776	3,222	624,718	3,335	624,718	6,058
2018	<u>82,774</u>	<u>81,248</u>	<u>81,248</u>	<u>81,050</u>	<u>81,008</u>	<u>1,526</u>
Total	<u>713,550</u>	<u>84,470</u>	<u>705,966</u>	<u>84,385</u>	<u>705,726</u>	<u>7,584</u>
Horse						
2009-2017	15,272	132	14,838	181	14,826	422
2018	<u>2,321</u>	<u>2,024</u>	<u>2,024</u>	<u>1,998</u>	<u>1,960</u>	<u>297</u>
Total	<u>17,593</u>	<u>2,156</u>	<u>16,862</u>	<u>2,179</u>	<u>16,786</u>	<u>719</u>
Dairy						
2009-2017	1,421,611	-	1,401,708	6	1,401,708	19,904
2018	<u>173,180</u>	<u>166,761</u>	<u>166,761</u>	<u>166,761</u>	<u>166,757</u>	<u>6,419</u>
Total	<u>1,594,791</u>	<u>166,761</u>	<u>1,568,469</u>	<u>166,767</u>	<u>1,568,465</u>	<u>26,323</u>
Sheep and Goats						
2009-2017	18,261	956	18,224	1,009	18,193	37
2018	<u>2,210</u>	<u>1,766</u>	<u>1,766</u>	<u>1,766</u>	<u>1,738</u>	<u>444</u>
Total	<u>20,471</u>	<u>2,722</u>	<u>19,990</u>	<u>2,775</u>	<u>19,931</u>	<u>481</u>
Bison						
2009-2017	187	-	172	-	172	14
2018	<u>20</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>13</u>
Total	<u>207</u>	<u>7</u>	<u>179</u>	<u>7</u>	<u>179</u>	<u>27</u>
Ratites						
2009-2017	19	-	19	-	19	-
2018	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total	<u>21</u>	<u>2</u>	<u>21</u>	<u>2</u>	<u>21</u>	<u>-</u>
Llamas						
2009-2017	79	-	77	-	76	2
2018	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>1</u>
Total	<u>89</u>	<u>9</u>	<u>86</u>	<u>9</u>	<u>84</u>	<u>3</u>
Total State of New Mexico	<u>16,974,917</u>	<u>1,937,061</u>	<u>16,825,371</u>	<u>1,936,891</u>	<u>16,795,402</u>	<u>149,279</u>
Municipalities:						
City of Roswell Non-Res.						
2009-2017	15,713,373	77,607	15,678,322	92,500	15,671,028	34,249
2018	<u>1,852,054</u>	<u>1,787,865</u>	<u>1,787,864</u>	<u>1,776,419</u>	<u>1,773,643</u>	<u>64,188</u>
Total	<u>17,565,427</u>	<u>1,865,472</u>	<u>17,466,186</u>	<u>1,868,919</u>	<u>17,444,671</u>	<u>98,437</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
City of Roswell Res.						
2009-2017	26,241,073	161,938	26,137,909	198,008	26,114,556	102,966
2018	3,336,398	3,171,169	3,171,169	3,136,812	3,121,554	165,229
Total	29,577,471	3,333,107	29,309,078	3,334,820	29,236,110	268,195
City of Roswell Debt Service						
2009-2017	5,524,586	19,027	5,512,896	23,050	5,510,434	11,508
2018	406,944	388,784	388,784	385,146	383,698	18,159
Total	5,931,530	407,811	5,901,680	408,196	5,894,132	29,667
Town of Lake Arthur Non-Res.						
2009-2017	8,833	26	8,815	25	8,805	18
2018	1,613	1,589	1,589	1,586	1,581	25
Total	10,446	1,615	10,404	1,611	10,386	43
Town of Lake Arthur Res.						
2009-2017	20,892	417	20,578	440	20,525	305
2018	3,231	2,913	2,913	2,813	2,779	318
Total	24,123	3,330	23,491	3,253	23,304	623
Town of Hagerman Non-Res.						
2009-2017	38,561	297	38,412	173	38,271	119
2018	5,137	4,797	4,797	4,717	4,717	340
Total	43,698	5,094	43,209	4,890	42,988	459
Town of Hagerman Res.						
2009-2017	63,562	1,072	62,930	1,289	62,845	634
2018	8,277	7,260	7,260	7,150	7,046	1,017
Total	71,839	8,332	70,190	8,439	69,891	1,651
Town of Dexter Non-Res.						
2009-2017	47,053	233	46,852	215	46,744	201
2018	6,572	6,026	6,026	5,999	5,917	546
Total	53,625	6,259	52,878	6,214	52,661	747
Town of Dexter Res.						
2009-2017	72,996	573	72,856	733	72,808	140
2018	9,631	9,197	9,197	9,063	9,014	434
Total	82,627	9,770	82,053	9,796	81,822	574
Total Municipalities	53,360,786	5,640,790	52,959,169	5,646,138	52,855,965	400,396
School Districts:						
ENMU Non-Res.						
2009-2017	4,241,286	16,376	4,226,122	19,203	4,224,433	15,010
2018	541,553	525,890	525,890	523,044	521,883	15,663
Total	4,782,839	542,266	4,752,012	542,247	4,746,316	30,673
ENMU Res.						
2009-2017	4,567,688	29,738	4,550,081	36,236	4,545,607	17,557
2018	593,662	564,782	564,782	558,105	555,267	28,880
Total	5,161,350	594,520	5,114,863	594,341	5,100,874	46,437
ENMU Debt Service						
2009-2017	7,095,797	1,291	7,092,083	1,308	7,091,962	3,436
2018	-	-	-	-	-	-
Total	7,095,797	1,291	7,092,083	1,308	7,091,962	3,436
NM Jr. College Non-Res.						
2009-2017	14,906	-	14,906	-	14,906	-
2018	1,799	1,799	1,799	1,799	1,799	-
Total	16,705	1,799	16,705	1,799	16,705	-
NM Jr. College Res.						
2009-2017	1,160	-	1,160	-	1,160	-
2018	145	145	145	145	145	-
Total	1,305	145	1,305	145	1,305	-

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Roswell Ind. Schools Non-Res.						
2009-2017	2,476,648	6,473	2,472,196	7,927	2,471,559	4,150
2018	220,697	214,704	214,704	213,454	213,071	5,994
Total	2,697,345	221,177	2,686,900	221,381	2,684,630	10,144
Roswell Ind. Schools Res.						
2009-2017	2,238,612	7,949	2,233,693	9,732	2,232,497	4,814
2018	167,324	159,505	159,505	157,697	156,977	7,820
Total	2,405,936	167,454	2,393,198	167,429	2,389,474	12,634
Roswell Ind. Schools Debt Service						
2009-2017	62,024,830	327,181	61,825,542	400,890	61,781,718	198,318
2018	8,140,562	7,826,127	7,826,127	7,755,504	7,729,154	314,435
Total	70,165,392	8,153,308	69,651,669	8,156,394	69,510,872	512,753
Artesia Public Schools Non-Res.						
2009-2017	31,461	316	31,450	318	31,450	10
2018	4,582	4,567	4,567	4,562	4,562	16
Total	36,043	4,883	36,017	4,880	36,012	26
Artesia Public Schools Res.						
2009-2017	6,903	68	6,900	76	6,900	-
2018	825	812	812	812	803	13
Total	7,728	880	7,712	888	7,703	13
Artesia Public Schools Debt Service						
2009-2017	559,799	5,671	559,598	5,819	559,598	143
2018	79,644	79,174	79,174	79,114	78,953	470
Total	639,443	84,845	638,772	84,933	638,551	613
Lake Arthur Muni. Schools Non-Res.						
2009-2017	93,235	225	93,146	222	93,130	45
2018	11,083	11,023	11,023	11,010	11,005	59
Total	104,318	11,248	104,169	11,232	104,135	104
Lake Arthur Muni. Schools Res.						
2009-2017	15,139	143	15,015	121	14,979	122
2018	1,212	1,123	1,123	1,087	1,081	89
Total	16,351	1,266	16,138	1,208	16,060	211
Lake Arthur Muni. Schools Debt Service						
2009-2017	1,494,621	12,463	1,489,023	11,359	1,486,958	5,498
2018	293,697	289,280	289,280	287,708	287,410	4,417
Total	1,788,318	301,743	1,778,303	299,067	1,774,368	9,915
Elida Muni. Schools #27 Non-Res.						
2009-2017	14,431	1	14,428	1	14,428	4
2018	1,181	1,181	1,181	1,180	1,180	1
Total	15,612	1,182	15,609	1,181	15,608	5
Elida Muni. Schools #27 Res.						
2009-2017	1,254	-	1,254	-	1,254	-
2018	109	109	109	109	109	-
Total	1,363	109	1,363	109	1,363	-
Elida Muni. Schools #27 Debt Service.						
2009-2017	82,611	3	82,596	4	82,596	15
2018	5,910	5,906	5,906	5,904	5,904	4
Total	88,521	5,909	88,502	5,908	88,500	19
Elida Muni. Schools #28 Non-Res.						
2009-2017	10,801	8	10,798	8	10,797	4
2018	1,207	1,204	1,204	1,203	1,203	3
Total	12,008	1,212	12,002	1,211	12,000	7
Elida Muni. Schools #28 Res.						
2009-2017	1,415	1	1,415	1	1,415	-
2018	131	130	130	130	129	1
Total	1,546	131	1,545	131	1,544	1

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Elida Muni. Schools #28 Debt Service.						
2009-2017	63,792	43	63,774	42	63,772	19
2018	6,128	6,111	6,111	6,107	6,104	17
Total	69,920	6,154	69,885	6,149	69,876	36
Hagerman Muni. Schools Non-Res.						
2009-2017	135,996	368	135,560	313	135,436	400
2018	12,806	12,267	12,267	12,177	12,142	539
Total	148,802	12,635	147,827	12,490	147,578	939
Hagerman Muni. Schools Res.						
2009-2017	44,193	408	43,948	512	43,873	250
2018	3,872	3,482	3,482	3,427	3,366	390
Total	48,065	3,890	47,430	3,939	47,239	640
Hagerman Muni. Schools Debt Service						
2009-2017	2,102,723	14,814	2,091,099	16,437	2,087,531	11,526
2018	272,982	256,238	256,238	253,679	251,751	16,745
Total	2,375,705	271,052	2,347,337	270,116	2,339,282	28,271
Dexter Cons. Schools Non-Res.						
2009-2017	279,672	1,014	276,794	1,032	276,732	2,878
2018	24,409	23,254	23,254	23,190	23,042	1,155
Total	304,081	24,268	300,048	24,222	299,774	4,033
Dexter Cons. Schools Res.						
2009-2017	77,535	522	77,341	597	77,275	192
2018	5,625	5,260	5,260	5,162	5,102	365
Total	83,160	5,782	82,601	5,759	82,377	557
Dexter Cons. Schools Debt Service						
2009-2017	7,238,407	58,561	7,150,941	63,293	7,145,097	87,445
2018	962,002	910,649	910,649	903,199	895,865	51,351
Total	8,200,409	969,210	8,061,590	966,492	8,040,962	138,796
Tatum Muni. Schools Non-Res.						
2009-2017	1,532	-	1,532	-	1,532	-
2018	180	180	180	180	180	-
Total	1,712	180	1,712	180	1,712	-
Tatum Muni. Schools Res.						
2009-2017	134	-	134	-	134	-
2018	10	10	10	10	10	-
Total	144	10	144	10	144	-
Tatum Muni. Schools Debt Service						
2009-2017	19,733	-	19,733	-	19,733	-
2018	2,685	2,685	2,685	2,685	2,685	-
Total	22,418	2,685	22,418	2,685	22,418	-
Total School Districts	106,292,336	11,391,234	105,489,859	11,387,834	105,289,344	800,263
Special Districts:						
Pecos Valley Conservancy District						
2009-2017	21,682,482	181,631	21,576,762	219,685	21,549,902	105,229
2018	3,690,779	3,522,378	3,522,378	3,486,254	3,472,034	168,401
Total	25,373,261	3,704,009	25,099,140	3,705,939	25,021,936	273,630
Chaves County S&W Conservancy Non-Res.						
2009-2017	609,606	2,459	607,706	3,419	607,384	1,889
2018	69,347	66,570	66,570	66,168	65,842	2,777
Total	678,953	69,029	674,276	69,587	673,226	4,666
Chaves County S&W Conservancy Res.						
2009-2017	987,381	4,920	985,545	6,452	984,683	1,835
2018	134,611	129,828	129,828	128,258	127,737	4,783
Total	1,121,992	134,748	1,115,373	134,710	1,112,420	6,618

**STATE OF NEW MEXICO
CHAVES COUNTY
PROPERTY TAX SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year End
Upper Hondo S&W Conservancy Non-Res.						
2009-2017	92	10	92	10	92	-
2018	10	5	5	5	-	5
Total	102	15	97	15	92	5
Upper Hondo S&W Conservancy Res.						
2009-2017	4	-	4	-	4	-
2018	-	-	-	-	-	-
Total	4	-	4	-	4	-
Hagerman-Dexter S&W Conservancy Non-Res.						
2009-2017	168,491	2,376	167,667	2,287	167,363	807
2018	18,789	17,559	17,559	17,302	17,161	1,230
Total	187,280	19,935	185,226	19,589	184,524	2,037
Hagerman-Dexter S&W Conservancy Res.						
2009-2017	107,979	1,552	107,345	1,564	106,956	634
2018	15,423	14,407	14,407	14,110	13,983	1,016
Total	123,402	15,959	121,752	15,674	120,939	1,650
Penasco S&W Conservancy						
2009-2017	30,096	660	30,088	682	30,088	8
2018	4,160	4,139	4,139	4,138	4,138	21
Total	34,256	4,799	34,227	4,820	34,226	29
Central Valley S&W Conservancy Non-Res.						
2009-2017	16,819	31	16,779	29	16,772	40
2018	1,403	1,364	1,364	1,361	1,360	39
Total	18,222	1,395	18,143	1,390	18,132	79
Central Valley S&W Conservancy Res.						
2009-2017	4,649	41	4,616	20	4,592	33
2018	552	519	519	497	497	32
Total	5,201	560	5,135	517	5,089	65
Border S&W Conservancy						
2009-2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
Total	-	-	-	-	-	-
Cottonwood-Walnut Creek S&W Conservancy						
2009-2017	98,571	123	98,407	123	98,407	164
2018	10,214	10,046	10,046	10,013	10,013	169
Total	108,785	10,169	108,453	10,136	108,420	333
Predator Control						
2009-2017	217,439	2,801	215,541	2,962	215,466	1,889
2018	27,553	26,512	26,512	26,457	26,371	1,041
Total	244,992	29,313	242,053	29,419	241,837	2,930
Total Special Districts	27,896,450	3,989,931	27,603,879	3,991,796	27,520,845	292,042
Grand Total	\$ 289,254,521	\$ 32,285,233	\$ 287,015,147	\$ 32,285,977	\$ 286,455,264	\$ 2,331,815

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF EXPENDITURES OF STATE APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2019**

Appropriation Purpose	Original Appropriation Amount	Appropriation Period	Reversion Date	Legislative Authority	Expenditures to Date	Remaining Balance
Hobson Rd Improvements Menominee/US 285	\$ 167,428	3/10/2016	6/30/2020	House Bill 219 Ch 81, Sec 24, Par 14	\$ 105,563	\$ 61,865
Chaves County Courthouse Elevator	246,800	9/28/2018	6/30/2022	House Bill 306 Page 100 Section 26	4,870	241,930
Chaves County Digital Trunk Radio System	220,000	9/28/2018	6/30/2022	House Bill 306 Page 100 Section 26	-	220,000
Hobson Road/US 285 Improve Chaves Co.	205,512	9/28/2018	6/30/2022	House Bill 306 Page 124 Section 32	13,741	191,771
Chaves County Courthouse Windows Replace	450,000	6/30/2019	6/30/2023	Senate Bill 280 Page 181 Sect. 138	-	450,000
Chaves County Complex Trail Construct	150,000	6/30/2019	6/30/2023	Senate Bill 280 Page 181 Sect. 139	-	150,000
Chaves County Sierra Vol Fire Dept Water Tanker	400,000	6/30/2019	6/30/2021	Senate Bill 280 Page 182 Sect. 140	-	400,000
Chaves County Accessible Vans	100,000	6/30/2019	6/30/2021	Senate Bill 280 Page 182 Sect. 147	-	100,000
Chaves County Red Bridge Rd Bridges Imprvmnt	250,000	6/30/2019	6/30/2023	Senate Bill 280 Page 240 Sect. 42	-	250,000
Hobson Road & Detention Pond Improvement	569,000	6/30/2019	6/30/2023	Senate Bill 280 Page 240 Sect. 44	-	569,000
Total	<u>\$ 2,758,740</u>				<u>\$ 124,174</u>	<u>\$ 2,634,566</u>

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2019**

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

**STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
JUNE 30, 2019**

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

STATISTICAL SECTION

**STATE OF NEW MEXICO
CHAVES COUNTY
STATISTICAL SECTION DESCRIPTIONS
JUNE 30, 2019**

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

**STATE OF NEW MEXICO
CHAVES COUNTY
NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position					
Net investment in capital assets	\$ 108,399,061	\$ 106,855,738	\$ 105,441,719	\$ 105,759,730	\$ 104,316,888
Restricted	68,174,705	67,419,604	65,792,872	64,183,013	64,172,880
Unrestricted (deficit)	<u>(20,809,077)</u>	<u>(23,395,642)</u>	<u>(10,959,240)</u>	<u>(6,995,002)</u>	<u>(6,985,709)</u>
Total net position	<u>\$ 155,764,689</u>	<u>\$ 150,879,700</u>	<u>\$ 160,275,351</u>	<u>\$ 162,947,741</u>	<u>\$ 161,504,059</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position					
Net investment in capital assets	\$ 93,963,305	\$ 92,643,379	\$ 116,611,132	\$ 151,171,973	\$ 96,045,467
Restricted	69,146,304	74,179,207	70,373,339	70,667,370	71,121,792
Unrestricted	<u>13,029,574</u>	<u>8,662,048</u>	<u>15,141,356</u>	<u>15,677,905</u>	<u>13,292,772</u>
Total net position	<u>\$ 176,139,183</u>	<u>\$ 175,484,634</u>	<u>\$ 202,125,827</u>	<u>\$ 237,517,248</u>	<u>\$ 180,460,031</u>

Note: During the fiscal year ended June 30, 2015, the County implemented GASB 68. The portion of unrestricted (deficit) net position directly related to GASB 68 was \$(18,757,299), \$(17,049,786), and \$(15,865,690), for the years ended June 30, 2019, 2018, and 2017, respectively.

Note: During the fiscal year ended June 30, 2018, the County implemented GASB 75. The portion of unrestricted (deficit) net position directly related to GASB 75 was \$(12,839,961) and \$(13,093,564) for the years ended June 30, 2019 and 2018, respectively.

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

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

	Fiscal Year Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
General government	\$ 7,864,657	\$ 7,937,326	\$ 7,417,325	\$ 7,847,105	\$ 8,202,300
Public safety	14,615,250	14,597,822	15,915,084	12,986,788	11,802,943
Public works	8,104,384	8,025,120	8,512,710	7,737,892	6,559,759
Culture and recreation	129,079	104,773	110,727	83,037	127,301
Health and welfare	4,651,334	4,299,935	4,312,294	4,362,604	3,873,800
Interest on long-term debt	239,526	312,530	226,078	356,958	339,722
Total governmental activities expenses	<u>35,604,230</u>	<u>35,277,506</u>	<u>36,494,218</u>	<u>33,374,384</u>	<u>30,905,825</u>
Program Revenues					
Charges for services:					
General government	\$ 2,218,529	\$ 2,502,540	\$ 1,961,657	\$ 1,642,378	\$ 1,331,631
Public safety	109,642	117,322	178,479	111,893	113,992
Public works	80,530	60,894	120,151	39,181	96,341
Operating grants and contributions	3,743,551	2,876,608	2,394,814	2,866,897	2,118,192
Capital grants and contributions	927,041	915,313	956,137	1,064,629	2,193,546
Total program revenues	<u>7,079,293</u>	<u>6,472,677</u>	<u>5,611,238</u>	<u>5,724,978</u>	<u>5,853,702</u>
Net Expense	<u>\$ (28,524,937)</u>	<u>\$ (28,804,829)</u>	<u>\$ (30,882,980)</u>	<u>\$ (27,649,406)</u>	<u>\$ (25,052,123)</u>

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

	Fiscal Year Ended June 30,				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
General government	\$ 8,290,451	\$ 8,179,487	\$ 11,772,859	\$ 9,064,603	\$ 6,755,562
Public safety	10,996,637	11,524,608	11,515,590	10,917,930	9,336,016
Public works	7,075,627	6,963,017	6,964,010	4,005,389	9,163,682
Culture and recreation	133,051	134,673	122,896	108,600	102,480
Health and welfare	3,181,442	3,551,116	6,333,835	7,893,800	6,409,068
Interest on long-term debt	<u>385,090</u>	<u>301,387</u>	<u>307,958</u>	<u>341,481</u>	<u>395,601</u>
Total governmental activities expenses	<u>30,062,298</u>	<u>30,654,288</u>	<u>37,017,148</u>	<u>32,331,803</u>	<u>32,162,409</u>
Program Revenues					
Charges for services					
General government	1,389,299	1,569,190	1,339,252	1,212,970	993,731
Public safety	102,098	173,333	169,477	7,193	-
Public works	38,676	144,274	84,122	59,677	903
Operating grants and contributions	2,252,093	2,409,845	3,770,794	9,103,069	3,358,788
Capital grants and contributions	<u>933,006</u>	<u>472,944</u>	<u>1,186,305</u>	<u>2,667,906</u>	<u>-</u>
Total program revenues	<u>4,715,172</u>	<u>4,769,586</u>	<u>6,549,950</u>	<u>13,050,815</u>	<u>4,353,422</u>
Net Expense	<u>\$ (25,347,126)</u>	<u>\$ (25,884,702)</u>	<u>\$ (30,467,198)</u>	<u>\$ (19,280,988)</u>	<u>\$ (27,808,987)</u>

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

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

	Fiscal Year Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Expense	<u>\$ (28,524,937)</u>	<u>\$ (28,804,829)</u>	<u>\$ (30,882,980)</u>	<u>\$ (27,649,406)</u>	<u>\$ (25,052,123)</u>
General Revenues					
Taxes					
Property taxes, levied for general purposes	9,758,379	9,844,911	8,762,252	8,393,175	9,090,957
Property taxes, levied for capital purposes	1,458,866	1,429,581	1,394,140	1,362,304	1,317,706
Gross receipts taxes	15,239,492	14,740,064	11,734,763	11,865,673	7,935,051
Gasoline and motor vehicle taxes	1,820,820	1,561,917	1,505,996	1,706,243	2,073,656
Other taxes *	-	-	1,066,133	1,163,063	1,083,664
Unrestricted federal aid	3,747,288	3,683,677	3,636,563	3,370,740	2,817,940
Licenses and fees	-	-	-	-	-
Investment income	1,385,081	1,013,633	110,743	1,231,890	1,080,615
Contributions	-	-	-	-	-
Miscellaneous income	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	-
Total general revenues	<u>33,409,926</u>	<u>32,273,783</u>	<u>28,210,590</u>	<u>29,093,088</u>	<u>25,399,589</u>
Changes in Net Position	<u>\$ 4,884,989</u>	<u>\$ 3,468,954</u>	<u>\$ (2,672,390)</u>	<u>\$ 1,443,682</u>	<u>\$ 347,466</u>

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

	Fiscal Year Ended June 30,				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Expense	\$ (25,347,126)	\$ (25,884,702)	\$ (30,467,198)	\$ (19,280,988)	\$ (27,808,987)
General Revenues					
Taxes					
Property taxes, levied for general purposes	8,840,619	8,687,211	8,391,027	7,902,236	12,249,508
Property taxes, levied for capital purposes	1,255,573	1,221,224	1,208,012	1,191,958	-
Gross receipts taxes	8,052,325	7,410,816	7,576,240	7,424,494	7,852,548
Gasoline and motor vehicle taxes	2,349,996	2,382,243	2,550,998	2,195,484	2,343,430
Other taxes *	1,188,656	989,386	894,645	1,218,259	468,905
Unrestricted federal aid	3,067,778	2,860,983	2,928,777	2,865,630	-
Licenses and fees	-	-	-	-	912,267
Investment income	1,246,728	27,223	1,243,760	873,486	3,016,728
Contributions	-	-	-	-	4,609,582
Miscellaneous income	-	-	-	-	236,566
Loss on disposal of capital assets	-	-	-	-	(261,603)
Total general revenues	<u>26,001,675</u>	<u>23,579,086</u>	<u>24,793,459</u>	<u>23,671,547</u>	<u>31,427,931</u>
Changes in Net Position	<u>\$ 654,549</u>	<u>\$ (2,305,616)</u>	<u>\$ (5,673,739)</u>	<u>\$ 4,390,559</u>	<u>\$ 3,618,944</u>

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

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

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

	Fiscal Year Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 170,495	\$ 167,551	\$ 157,257	\$ 170,101	\$ 155,354
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	<u>8,053,050</u>	<u>6,962,160</u>	<u>3,728,649</u>	<u>5,515,570</u>	<u>8,293,265</u>
Total general fund	<u>\$ 8,223,545</u>	<u>\$ 7,129,711</u>	<u>\$ 3,885,906</u>	<u>\$ 5,685,671</u>	<u>\$ 8,448,619</u>
All Other Governmental Funds					
Nonspendable	\$ 50,689,971	\$ 50,838,123	\$ 50,978,996	\$ 50,893,636	\$ 50,997,647
Restricted	18,174,705	14,636,687	14,262,073	14,098,871	14,108,135
Committed	2,013,013	1,782,917	1,494,819	1,317,314	1,642,179
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(637,586)</u>	<u>(3,592,252)</u>
Total all other governmental funds	<u>\$ 70,877,689</u>	<u>\$ 67,257,727</u>	<u>\$ 66,735,888</u>	<u>\$ 65,672,235</u>	<u>\$ 63,155,709</u>

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

	Fiscal Year Ended June 30,				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund					
Nonspendable	\$ 143,514	\$ 140,735	\$ 146,367	\$ -	\$ -
Restricted	-	-	-	1,000,000	-
Unassigned	13,753,900	13,624,949	15,343,784	16,090,847	-
Reserved	-	-	-	-	208,676
Unreserved	-	-	-	-	13,617,431
Total general fund	<u>\$ 13,897,414</u>	<u>\$ 13,765,684</u>	<u>\$ 15,490,151</u>	<u>\$ 17,090,847</u>	<u>\$ 13,826,107</u>
All Other Governmental Funds					
Nonspendable	\$ 51,046,536	\$ 51,126,690	\$ 51,237,673	\$ 51,330,469	\$ -
Restricted	16,563,688	21,500,493	16,412,270	14,881,390	-
Committed	1,476,458	1,562,731	2,632,162	3,373,014	-
Unassigned	(26,554)	-	-	-	-
Reserved	-	-	-	-	54,568,283
Unreserved, reported in					
Special revenue funds	-	-	-	-	14,712,910
Capital projects funds	-	-	-	-	1,306,493
Total all other governmental funds	<u>\$ 69,060,128</u>	<u>\$ 74,189,914</u>	<u>\$ 70,282,105</u>	<u>\$ 69,584,873</u>	<u>\$ 70,587,686</u>

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

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

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

	Fiscal Year Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
REVENUES					
Property taxes	\$ 11,126,089	\$ 11,195,705	\$ 10,153,338	\$ 9,730,802	\$ 10,270,397
Gasoline and motor vehicle taxes	1,820,820	1,583,955	1,505,996	1,730,243	2,027,618
Gross receipts taxes	15,239,492	14,740,064	11,734,763	11,865,673	7,935,051
Other taxes *	-	-	1,066,133	1,163,063	1,151,316
State grants and contributions	4,535,267	3,731,809	3,151,360	3,675,397	3,942,704
Federal grants and contributions	3,882,613	3,743,789	3,705,218	3,496,864	3,056,140
Charges for services	1,037,983	1,136,171	756,220	557,207	413,983
Licenses and fees	535,582	680,778	612,065	525,505	464,447
Investment income (loss)	1,385,081	1,013,633	110,743	1,231,890	1,080,615
Contributions	-	-	-	-	-
Other	835,136	863,807	939,727	835,861	788,537
Total revenues	40,398,063	38,689,711	33,735,563	34,812,505	31,130,808
EXPENDITURES					
Current					
General government	6,540,417	6,289,364	6,478,195	5,986,719	6,210,418
Public safety	12,787,832	12,423,633	12,936,146	11,294,155	10,405,168
Public works	5,684,893	5,642,896	5,532,210	5,937,097	5,004,346
Culture and recreation	116,274	92,703	99,911	85,066	137,208
Health and welfare	4,628,579	4,283,540	4,294,735	4,365,628	3,881,935
Capital outlay	3,611,574	3,877,139	3,104,874	5,261,387	15,157,798
Debt service					
Principal	1,802,455	1,721,679	1,678,293	1,572,412	1,433,924
Interest and fees	362,588	435,468	347,311	477,105	435,504
Loan issuance costs	-	-	-	-	2,003
Total expenditures	35,534,612	34,766,422	34,471,675	34,979,569	42,668,304
Excess (deficiency) of revenues over (under) expenditures	\$ 4,863,451	\$ 3,923,289	\$ (736,112)	\$ (167,064)	\$ (11,537,496)
Expenditures for capitalized assets	\$ 3,645,780	\$ 3,433,116	\$ 2,462,571	\$ 3,583,641	\$ 13,270,027
Debt service as a percentage of noncapital expenditures	7%	7%	6%	7%	6%

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

	Fiscal Year Ended June 30,				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
REVENUES					
Property taxes	\$ 10,136,414	\$ 10,059,276	\$ 9,599,477	\$ 9,391,293	\$ 11,974,302
Gasoline and motor vehicle taxes	2,349,996	2,382,243	2,550,998	2,195,484	2,343,430
Gross receipts taxes	8,052,325	7,410,816	7,576,240	7,424,494	7,852,548
Other taxes *	1,121,004	1,059,511	928,987	1,113,792	468,905
State grants and contributions	2,986,212	2,635,334	3,085,795	4,137,740	3,248,912
Federal grants and contributions	3,144,345	2,983,987	3,579,053	4,011,068	109,876
Intergovernmental	-	-	-	-	-
Charges for services	477,078	477,894	449,843	328,652	994,634
Licenses and fees	439,370	509,199	505,024	468,452	912,267
Investment income (loss)	1,246,728	27,223	1,243,760	873,486	3,016,728
Contributions	-	-	1,000,000	5,000,000	4,609,582
Other	735,401	982,867	859,012	1,970,533	295,916
Total revenues	<u>30,688,873</u>	<u>28,528,350</u>	<u>31,378,189</u>	<u>36,914,994</u>	<u>35,827,100</u>
EXPENDITURES					
Current					
General government	5,701,591	5,800,146	5,920,816	6,691,393	5,801,344
Public safety	9,116,461	9,019,160	8,788,680	9,209,946	8,997,982
Public works	4,503,655	5,050,679	5,145,110	5,079,694	7,741,362
Culture and recreation	126,378	134,004	123,494	108,798	102,480
Health and welfare	3,184,580	3,549,717	6,332,563	7,893,914	6,408,651
Capital outlay	11,702,176	6,709,123	4,823,408	4,440,825	4,361,690
Debt service					
Principal	1,356,028	917,643	864,441	837,895	540,098
Interest and fees	500,393	337,806	343,505	379,082	393,887
Loan issuance costs	4,613	35,437	-	-	-
Total expenditures	<u>36,195,875</u>	<u>31,553,715</u>	<u>32,342,017</u>	<u>34,641,547</u>	<u>34,347,494</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (5,507,002)</u>	<u>\$ (3,025,365)</u>	<u>\$ (963,828)</u>	<u>\$ 2,273,447</u>	<u>\$ 1,479,606</u>
Expenditures for capitalized assets	\$ 7,960,675	\$ 3,759,776	\$ 1,122,321	\$ 5,031,921	\$ 4,361,690
Debt service as a percentage of noncapital expenditures	7%	5%	4%	4%	3%

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

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

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

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

	Fiscal Year Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ 4,863,451	\$ 3,923,289	\$ (736,112)	\$ (167,064)	\$ (11,537,496)
Other financing sources (uses)					
Loan proceeds	-	-	-	-	267,003
Premium on loan issuance	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	6,850,000	8,007,113	9,546,466	7,675,000	12,165,550
Transfers out	(6,850,000)	(8,007,113)	(9,546,466)	(7,675,000)	(12,165,550)
Total other financing sources (uses)	-	-	-	-	267,003
Changes in fund balances	\$ 4,863,451	\$ 3,923,289	\$ (736,112)	\$ (167,064)	\$ (11,270,493)
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (5,507,002)	\$ (3,025,365)	\$ (963,828)	\$ 2,273,447	\$ 1,479,606
Other financing sources (uses)					
Premium on loan issuance	-	783,083	-	-	-
Loan proceeds	619,613	4,725,000	-	126,785	-
Gain/(Loss) on investments	-	-	-	-	-
Sale of property	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	54,442
Transfers in	5,302,282	5,963,800	5,900,000	8,047,300	9,646,288
Transfers out	(5,302,282)	(5,963,800)	(5,900,000)	(8,047,300)	(9,671,288)
Total other financing sources (uses)	619,613	5,508,083	-	126,785	29,442
Changes in fund balances	\$ (4,887,389)	\$ 2,482,718	\$ (963,828)	\$ 2,400,232	\$ 1,509,048

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

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

	Fiscal Year Ended June 30,									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Utilities	\$ 853,252	\$ 802,153	\$ 801,872	\$ 783,810	\$ 517,005	\$ 499,272	\$ 444,333	\$ 439,997	\$ 427,008	\$ 407,935
Construction	1,635,380	1,525,017	1,436,423	1,356,531	838,233	984,104	780,926	850,754	694,846	746,004
Manufacturing	257,650	181,781	142,414	143,843	90,193	76,932	78,320	78,050	91,188	76,164
Wholesale trade	360,289	331,550	334,053	343,247	186,356	158,411	140,321	149,607	128,401	120,721
Retail trade	4,162,042	3,811,995	2,882,691	2,945,321	2,087,213	1,909,143	1,870,302	1,808,937	2,023,897	1,958,243
Information and cultural industries	505,423	465,366	475,456	491,195	291,860	305,540	321,689	319,725	419,209	344,836
Real estate, rental and leasing	183,631	153,004	130,907	131,533	88,008	70,487	79,701	81,040	85,282	50,589
Professional, scientific and technical	649,425	598,872	577,296	620,813	454,361	364,118	332,563	319,467	332,507	264,682
Healthcare and social assistance	1,132,046	884,977	759,306	694,463	379,225	331,900	262,296	349,011	391,138	415,269
Accommodation and food services	1,120,900	990,497	906,273	944,354	548,912	500,175	462,986	416,113	391,266	381,629
Other services (except public admin.)	1,245,381	1,201,340	1,216,747	476,127	831,449	911,234	946,527	872,213	813,845	876,555
Unclassified establishments	58,638	34,047	54,194	62,911	40,351	52,745	17,344	4,350	5,373	-
State food distribution	12,897	94,661	310,276	339,758	359,053	467,162	495,962	526,429	469,118	403,627
State medical distribution	3,382	26,584	652,682	600,148	88,002	111,102	93,005	106,059	80,478	79,919
Other business activity	886,559	741,854	538,428	1,253,211	414,692	463,036	486,739	470,189	548,260	449,409
Total	\$ 13,066,895	\$ 11,843,698	\$ 11,219,018	\$ 11,187,265	\$ 7,214,913	\$ 7,205,361	\$ 6,813,014	\$ 6,791,941	\$ 6,901,816	\$ 6,575,582

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

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

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Gross Receipts Taxes</u>	<u>Motor Vehicle Taxes</u>	<u>Gas Tax</u>	<u>Oil Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2019	\$11,073,386	\$13,604,866	\$ 978,054	\$ 376,231	\$ 457,977	\$ 116,421	\$ 26,606,937
2018	10,373,585	12,265,370	741,904	348,038	421,626	119,288	24,269,811
2017	10,055,746	11,733,603	861,365	365,109	384,857	106,589	23,507,269
2016	9,669,250	10,787,779	902,515	356,123	501,647	89,865	22,307,178
2015	10,360,596	7,716,705	830,500	356,532	902,060	89,383	20,255,776
2014	10,136,414	8,052,325	688,972	350,802	1,310,222	1,121,004	21,659,739
2013	10,059,276	7,410,816	809,384	358,260	1,237,456	1,036,654	20,911,846
2012	9,599,477	7,576,240	809,109	344,933	1,434,011	891,932	20,655,702
2011	9,391,293	7,424,494	752,254	352,302	1,306,042	898,678	20,125,063
2010	11,974,302	7,852,548	806,174	298,284	1,098,872	609,005	22,639,185

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

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

Governmental Entity	Location Code	Fiscal Year Ended June 30,									
		2019		2018		2017		2016		2015	
		Jul-Dec 2018	Jan-Jun 2019	Jul-Dec 2017	Jan-Jun 2018	Jul-Dec 2016	Jan-Jun 2017	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2014	Jan-Jun 2015
Dexter	04-201	7.3958%	7.3958%	7.3125%	7.3958%	7.3125%	7.3125%	7.3125%	7.3125%	6.9375%	7.3125%
Hagerman	04-300	7.5833%	7.5833%	7.5000%	7.5833%	7.5000%	7.5000%	7.5000%	7.5000%	7.1250%	7.5000%
Lake Arthur	04-400	6.8958%	6.8958%	6.8125%	6.8958%	6.8125%	6.8125%	6.8125%	6.8125%	6.4375%	6.8125%
Roswell	04-101	7.8333%	7.8333%	7.6875%	7.8333%	7.5000%	7.5000%	7.5000%	7.5000%	7.1250%	7.5000%
Remainder of County	04-004	6.5208%	6.5208%	6.4375%	6.5208%	6.4375%	6.4375%	6.4375%	6.4375%	6.0625%	6.4375%

Governmental Entity	Location Code	Fiscal Year Ended June 30,									
		2014		2013		2012		2011		2010	
		Jul-Dec 2013	Jan-Jun 2014	Jul-Dec 2012	Jan-Jun 2013	Jul-Dec 2011	Jan-Jun 2012	Jul-Dec 2010	Jan-Jun 2011	Jul-Dec 2009	Jan-Jun 2010
Dexter	04-201	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.9375%	6.8125%	6.8125%
Hagerman	04-300	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.0000%	7.0000%
Lake Arthur	04-400	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.4375%	6.3125%	6.3125%
Roswell	04-101	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.1250%	7.0000%	7.0000%
Remainder of County	04-004	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	6.0625%	5.9375%	5.9375%

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

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

Fiscal Year Ended June 30,	Tax Roll Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2019	2018	\$ 9,315,428	\$ 8,978,366	96.38 %	\$ -	\$ 8,978,366	95.95 %
2018	2017	8,801,893	8,442,230	95.95	213,992	8,656,222	95.95
2017	2016	8,381,927	8,054,420	96.09	274,872	8,329,292	99.37
2016	2015	8,245,498	7,836,733	95.04	381,116	8,217,848	99.66
2015	2014	8,879,326	8,570,453	96.52	301,272	8,871,725	99.91
2014	2013	8,587,477	8,304,022	96.70	279,304	8,583,326	99.95
2013	2012	8,355,638	8,059,708	96.46	284,408	8,344,116	99.86
2012	2011	8,173,741	7,859,291	96.15	312,678	8,171,969	99.98
2011	2010	8,037,280	7,707,147	95.89	328,648	8,035,795	99.98
2010	2009	7,948,867	7,532,285	94.76	414,984	7,947,269	99.98

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

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

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

<u>Tax Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Personal Property</u>	<u>Manufactured Homes</u>	<u>State Assessed Property</u>	<u>Livestock</u>	<u>Exemptions</u>	<u>Total Taxable Value</u>	<u>Full Value (3 x Taxable Value)</u>
2018	\$ 162,348,998	\$ 864,841,178	\$ 40,573,812	\$ 25,975,415	\$ 211,573,735	\$ 43,463,287	\$ (117,514,128)	\$ 1,231,262,297	\$ 3,693,786,891
2017	156,686,614	830,728,271	41,271,173	25,677,407	179,671,239	49,832,289	(97,068,334)	1,186,798,659	3,560,395,977
2016	150,378,654	818,978,104	36,661,326	24,787,629	191,645,152	62,677,407	(98,140,681)	1,186,987,591	3,560,962,773
2015	145,883,611	795,211,992	38,476,661	22,611,107	175,845,575	48,697,044	(94,717,340)	1,132,008,650	3,396,025,950
2014	145,882,357	795,197,826	38,471,478	22,611,107	175,845,575	48,696,209	(94,794,780)	1,131,909,772	3,395,729,316
2013	142,627,555	772,885,121	39,048,348	21,654,953	149,003,956	37,218,731	(95,411,236)	1,067,027,428	3,201,082,284
2012	140,006,933	759,204,574	38,935,395	20,729,635	134,437,373	38,651,921	(105,367,053)	1,026,598,778	3,079,796,334
2011	136,857,509	717,171,928	41,088,150	19,504,587	131,936,925	33,402,353	(90,575,905)	989,385,547	2,968,156,641
2010	132,944,804	688,378,228	41,350,060	18,705,455	131,370,778	29,288,464	(62,192,846)	979,844,943	2,939,534,829
2009	129,791,544	642,283,770	39,980,881	18,417,662	135,315,601	37,201,991	(35,170,697)	967,820,752	2,903,462,256

Source: County Assessor's Records.

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

Tax Year		Direct Rates		Overlapping Rates													
				Municipalities				School Districts					Special District				
		State of New Mexico	Chaves County	City of Roswell	Town of Hagerman	Town of Dexter	Town of Lake Arthur	Roswell School District	Dexter School District	Hagerman School District	Lake Arthur School District	ENMUR	Artesia School District	Elida School District	Tatum School District	NMJC College	SWCD
2019	Residential	1.36	5.416	7.329	1.723	1.137	2.068	7.847	12.236	7.321	11.685	0.882	7.319	2.161	6.8400	3.5880	1.0000
	Non-Residential	1.3600	10.1580	8.2040	2.2250	2.2250	1.8350	8.1390	12.4980	7.6570	11.8570	1.0000	7.5000	2.3930	7.2240	5.0000	1.0000
2018	Residential	1.3600	5.3260	7.2170	1.6840	1.1250	2.0150	7.8050	12.2290	7.3060	13.5560	0.8670	6.9800	2.1940	7.2480	3.5240	1.0000
	Non-Residential	1.3600	9.6160	8.2040	2.2250	2.2250	2.0400	8.1320	12.5100	7.6870	13.7170	1.0000	7.5000	2.4010	7.6650	5.0000	1.0000
2017	Residential	1.3600	5.3050	7.1540	1.6940	1.1240	2.0110	7.7960	13.3940	7.2580	16.7880	0.8510	7.1600	2.2650	7.7950	3.5400	1.0000
	Non-Residential	1.3600	9.0440	8.1960	2.1660	2.1740	2.0040	8.0990	13.5960	7.4380	16.8500	0.9690	7.4650	2.2330	8.4010	5.0000	1.0000
2016	Residential	1.3600	5.4330	7.2950	1.7630	1.1550	2.0590	7.8480	12.1910	7.4240	9.5440	0.8710	7.2780	2.4210	5.5340	3.6280	1.0000
	Non-Residential	1.3600	9.2850	8.1820	2.1560	2.1850	2.0660	8.1360	12.3190	7.6290	9.7020	0.9950	7.5000	2.4380	5.8890	5.0000	1.0000
2015	Residential	1.3600	6.5260	7.3980	1.7820	1.1770	2.0700	7.8780	12.2220	7.3960	9.5730	1.9190	7.3280	2.3960	5.4310	3.7290	1.0000
	Non-Residential	1.3600	10.3500	8.1900	2.2250	2.2160	2.1210	8.1350	12.5960	7.6340	9.7560	2.0350	7.4570	2.4180	5.7390	5.0000	1.0000
2014	Residential	7.3980	1.3600	6.5260	1.7820	1.1770	2.0700	7.8790	12.2210	7.3960	9.5730	1.9190	7.3280	2.3950	5.4310	3.7290	1.0000
	Non-Residential	8.1900	1.3600	10.3500	2.2250	2.2160	2.1210	8.1350	12.5960	7.6340	9.7560	2.0350	7.4570	2.4180	5.7390	5.0000	1.0000
2013	Residential	8.1500	1.3600	6.6210	1.8350	1.2010	2.0970	7.9540	12.2480	7.4170	8.6220	1.9320	7.3900	2.4340	5.5240	3.8620	1.0000
	Non-Residential	8.8720	1.3600	10.3500	2.2030	2.1810	2.1190	8.1800	12.5560	7.5910	8.7670	2.0350	7.4640	2.4560	5.7700	5.0000	1.0000
2012	Residential	8.3180	1.3600	6.7290	1.8410	1.2210	2.1080	7.9060	12.3130	7.7160	4.5270	1.9470	7.4190	6.2700	5.1760	3.9410	1.0000
	Non-Residential	8.9220	1.3600	10.3500	2.2250	2.2250	2.2230	8.1410	12.5920	7.8870	4.5820	2.0350	7.5000	6.2960	5.4680	5.0000	1.0000
2011	Residential	8.1600	1.3620	6.5650	1.7980	1.1880	2.0360	7.8320	12.6020	7.1800	4.1690	2.2600	7.3100	6.8790	5.1240	3.9410	1.0000
	Non-Residential	8.9350	1.3620	10.3500	2.1480	2.2250	2.2250	8.1230	12.9010	7.3990	4.3170	2.3710	7.5000	6.9500	5.4150	5.0000	1.0000
2010	Residential	8.2530	1.5300	6.5990	1.8080	1.2080	2.0350	7.9160	11.7570	9.8280	4.6530	2.2650	7.3440	7.3170	5.6720	3.9890	1.0000
	Non-Residential	8.9850	1.5300	10.3500	2.1040	2.2250	2.1940	8.1960	12.0400	10.0340	4.9080	2.3710	7.5000	7.3220	5.9520	5.0000	1.0000

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

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

Taxpayer	2019		2010	
	Primary Assessed Valuation	Percentage of County's Net Assessed Valuation	Primary Assessed Valuation	Percentage of County's Net Assessed Valuation
S W P S	\$ 31,542,214	2.77 %	\$ 17,478,940	1.88 %
MID AMERICA PIPELINE COMPANY	28,684,686	2.52	11,521,268	1.24
BURLINGTON NORTHERN THE & ; SANTA FE RAILWAY CO	31,903,247	2.81	13,715,625	1.48
TRANSWESTERN PIPELINE CO ; PROPERTY TAX DEPARTMENT	22,891,124	2.01	20,638,811	2.23
ROSWELL HOSPITAL CORPORATION	14,411,274	1.27	15,554,840	1.68
AGAVE ENERGY COMPANY ; C/O INDUSTRIAL VALUATION SERVICE	18,581,030	1.63	9,564,578	1.03
CENTRAL VALLEY ELECTRIC	11,607,869	1.02	6,392,206	0.69
CORTEZ PIPELINE COMPANY	9,965,996	0.88	9,186,879	0.99
EL PASO NATURAL GAS CO	8,587,148	0.76	9,359,519	1.01
WESTERN REFINING PIPELINE, LLC	5,186,788	0.46	2,452,277	0.26
NEW MEXICO GAS COMPANY	5,493,051	0.48	1,894	0.00
THREE AMIGOS DAIRY	4,298,321	0.38	4,254,600	0.46
ASHLEY, KARNS, BAKER PROPERTIES, LTD	3,403,434	0.30	4,531,512	0.49
QWEST CORPORATION	3,260,877	0.29	6,199,110	0.67
HOEKSTRA FAMILY TRUST ; LOUIS & ALNEATA G TRUSTEES	3,562,642	0.31	2,441,565	0.26
NUSTAR LOGISTICS, LP	1,992,021	0.18	3,630,086	0.39
SELECT MILK PRODUCERS	1,155,579	0.10	3,913,795	0.42
Total	\$ 206,527,301	18.16 %	\$ 140,837,505	15.19 %
County's Total Assessed Valuation	\$ 1,137,202,690		\$ 927,429,387	

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total Outstanding Debt					
	General Obligation Bonds	NMFA Loans	Refunding Revenue Bonds	Total	Taxable Value of Property	Percentage of Assessed Property Value	Percentage of Personal Income	Total Population	Ratio of Total Debt Per Capita
2019	\$ -	\$ 3,501,240	\$ 612,300	4,113,540	\$ 1,231,262,297	0.33 %	n/a %	64,689	63.59
2018	-	4,043,233	1,837,167	5,880,400	1,186,798,659	0.50	0.22	64,866	90.65
2017	-	4,663,220	3,040,149	7,703,369	1,186,987,591	0.65	0.33	65,282	118.00
2016	-	5,279,821	4,203,131	9,482,952	1,132,008,650	0.84	0.41	65,764	144.20
2015	-	5,870,541	5,286,113	11,156,654	1,131,909,772	0.99	0.58	65,878	169.35
2014	-	6,160,770	6,264,095	12,424,865	1,067,027,428	1.16	0.58	66,041	188.14
2013	-	6,085,547	7,172,077	13,257,624	1,026,598,778	1.29	0.63	65,823	201.41
2012	-	625,693	7,895,000	8,520,693	989,385,547	0.86	0.44	65,784	129.53
2011	-	675,134	8,710,000	9,385,134	979,844,943	0.96	0.52	65,890	142.44
2010	-	596,154	9,500,000	10,096,154	967,820,752	1.04	0.50	65,778	153.49

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

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

	Fiscal Year Ended June 30,									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 49,250,492	\$ 47,471,946	\$ 47,479,504	\$ 45,280,346	\$ 45,276,391	\$ 42,681,097	\$ 41,063,951	\$ 39,575,422	\$ 39,193,798	\$ 38,712,830
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 49,250,492</u>	<u>\$ 47,471,946</u>	<u>\$ 47,479,504</u>	<u>\$ 45,280,346</u>	<u>\$ 45,276,391</u>	<u>\$ 42,681,097</u>	<u>\$ 41,063,951</u>	<u>\$ 39,575,422</u>	<u>\$ 39,193,798</u>	<u>\$ 38,712,830</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$ 1,231,262,297
Debt Limit (4% of total assessed value)	49,250,492
Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 49,250,492</u>

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

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

General Obligation & Refunding Bonds					
Fiscal Year Ended June 30,	Gross Receipt Tax Revenues	Debt Service		Total	Coverage
		Principal	Interest		
2019	\$ 2,599,350	\$ 600,000	\$ 12,300	\$ 612,300	425%
2018	2,450,516	1,180,000	97,113	1,277,113	192%
2017	2,387,693	1,140,000	142,648	1,282,648	186%
2016	2,323,132	1,060,000	185,415	1,245,415	187%
2015	2,488,215	955,000	224,336	1,179,336	211%
2014	2,456,373	885,000	259,535	1,144,535	215%
2013	2,300,360	860,000	292,475	1,152,475	200%
2012	2,312,998	815,000	323,678	1,138,678	203%
2011	2,295,575	790,000	353,183	1,143,183	201%
2010	2,229,378	500,000	376,590	876,590	254%

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

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

**STATE OF NEW MEXICO
CHAVES COUNTY
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to County</u>	<u>Estimated Amount Applicable to County</u>
DIRECT:			
Chaves County	\$ 3,977,470	100.00%	\$ 3,977,470
OVERLAPPING DEBT:			
State of New Mexico	2,936,120,000	2%	58,722,400
Municipalities:			
City of Roswell	31,155,000	100.00%	31,155,000
Town of Dexter	187,113	100.00%	187,113
Town of Hagerman	257,205	100.00%	257,205
Town of Lake Arthur	76,819	100.00%	76,819
School Districts:			
Roswell Independent School Dist.	40,256,554	100.00%	40,256,554
Dexter Schools	4,354,265	100.00%	4,354,265
Hagerman Schools	955,000	100.00%	955,000
Lake Arthur Schools	3,876,304	100.00%	3,876,304
Eastern NM University Roswell	45,265,000	100.00%	45,265,000
NM Junior College	-	0.00%	-
		Subtotal, Overlapping Debt	<u>185,105,660</u>
		Total Direct and Overlapping Debt	<u>\$ 189,083,130</u>

Ratios:

Ratio of Total Direct & Overlapping Debt to 2018 Assessed Valuation: 15.36%

Ratio of Chaves County's Outstanding General Obligation Debt to 2018 Estimated Actual Valuation 5.12%

Per Capita Direct & Overlapping Debt: \$ -

Net Taxable Valuation: \$ 1,231,262,297

Total Estimated Actual Valuation: \$ 3,693,786,891

Total Population - Estimated: 64,689

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

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

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (millions)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Births</u>	<u>Deaths</u>	<u>School Enrollment</u>
2019	64,689	n/a	n/a	4.90%	800	664	11,892
2018	64,866	2,629	40,537	6.40%	860	695	11,850
2017	65,282	2,357	36,108	7.10%	890	684	11,865
2016	65,764	2,398	36,466	6.20%	931	614	11,823
2015	65,878	2,330	35,377	6.00%	913	645	11,993
2014	65,823	2,116	32,147	7.50%	936	677	11,827
2013	65,784	2,142	32,566	7.60%	948	612	11,771
2012	65,890	2,110	30,319	7.90%	929	670	11,491
2011	65,778	1,947	29,010	8.30%	986	612	11,389
2010	63,622	1,804	27,105	6.80%	1,042	628	11,114

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

The source of the "Unemployment Rate " information is: U.S. Bureau of Labor Statistics, Labor force data by county, 2018 annual averages.

Per Capita Income and Personal Income number for 2019 has not yet been published. Other data received from Bureau of Economic Analysis.

School Enrollment was obtained through NM Public Education Department.

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

Employer	Industry	2019			2010		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Roswell Independent School District	Education	1,183	1	5.58 %	750.00	1	3.46 %
Leprino Foods	Manufacturing	597	2	2.82	480.00	4	2.22
Eastern New Mexico Medical Center	Health Care	584	3	2.76	646.00	2	2.98
City of Roswell	Government	561	4	2.65	515.00	3	2.38
New Mexico Military Institute	Education/Gov.	300	7	1.42	267.00	5	1.23
Farmers Country Market	Commercial/Retail	349	5	1.65			-
Chaves County	Government	245	10	1.16	250.00	7	1.15
Eastern NM University - Roswell	Education	191	13	0.90	238.00	8	1.10
Albertson's	Commercial/Retail	260	9	1.23			-
Tobosa Development	Health Care	204	12	0.96			-
Wal-Mart Super Center	Commercial/Retail	270	8	1.27	260.00	6	1.20
Krumland Auto Group	Commercial/Retail	310	6	1.46			-
Pioneer Bank	Financial	225	11	1.06			-
Christmas by Krebs	Manufacturing	90	17	0.42	160.00	9	0.74
Dean Baldwin Painting	Aviation	126	15	0.59	120.00	10	0.55
Aersale	Aviation	182	14	0.86			-
Mission Arch Care	Health Care	120	16	0.57	120.00	10	0.55
Casa Maria Health Care Center	Health Care	73	18	0.34	120.00	10	0.55
Total		5,870		27.70 %	3,926		18.13 %
Total employment		21,188			21,649		

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

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

	Full-time Equivalent Employees as of June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	1	1	1	1	1
Human Resources	2	2	2	3	2
Safety	1	1	0	0	1
Fire & Emergency	0	0	0	1	0
General Services					
Public Works	2	2	2	2	4
Information Technology	3	3	3	3	3
Data Processing	0	0	0	0	0
Planning & Zoning	3	4	4	4	4
Purchasing	1	1	2	2	2
Finance					
Finance Admin	4	4	4	4	4
Community Development	2	2	2	2	2
Hospital Indigent Claims	2	2	2	2	2
Detention Facilities					
Detention Administration	9	8	10	10	10
Adult Detention	39	57	56	67	64
Juvenile CCJD	15	15	14	17	18
Facility Maintenance					
Facility Maintenance	7	8	9	8	9
Courthouse Maintenance	1	3	3	3	3
Record & Filing (Clerk)					
Clerk Administration	5	6	6	5	5
Clerk Bureau Election	3	3	3	4	3
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	6	7	7	7	7
Re-Appraisal Dept.	5	5	5	5	5
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	15	14	10	11	11
Sheriff Patrol & Investigations	21	23	27	30	29
Court Security	3	5	7	7	6
Other Funds/Departments					
Road Administration	5	5	4	3	3
Road Shop	7	7	7	6	7
Road Construction & Maintenance	26	29	30	34	31
DWI	2	1	1	3	2
Flood Control	9	11	11	11	10
Court Services	4	3	4	2	4
Total	214	243	247	268	263

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

	Full-time Equivalent Employees as of June 30,				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government					
County Commissioners	5	5	5	5	5
County Manager & Legal	2	2	2	2	2
Human Resources	1	1	1	1	1
Safety	0	0	0	0	0
Fire & Emergency	0	1	1	1	1
General Services					
Public Works	3	3	3	2	2
Information Technology	3	3	3	3	3
Data Processing	0	0	0	1	1
Planning & Zoning	4	4	4	3	4
Purchasing	2	2	2	2	1
Finance					
Finance	4	4	4	4	5
Community Development	3	2	3	3	3
Hospital Indigent Claims	2	2	4	4	4
Detention Facilities					
Detention Administration	10	8	8	8	6
Adult Detention	58	59	57	49	50
Juvenile CCJD	17	18	17	19	18
Facility Maintenance					
Facility Maintenance	9	10	11	12	10
Courthouse Maintenance	3	3	3	3	3
Record & Filing (Clerk)					
Clerk Administration	5	6	4	5	5
Clerk Bureau Election	3	3	4	4	4
Probate Judge	1	1	1	1	1
Property Assessments (Assessor)					
Assessor's	7	7	6	7	7
Re-Appraisal Dept.	3	4	4	5	5
Collections (Treasurer)					
Treasurer's Administration	5	5	5	5	5
Law Enforcement					
Sheriff Administration	10	11	12	12	12
Sheriff Patrol & Investigations	29	32	30	30	34
Court Security	6	6	7	7	6
Other Funds/Departments					
Road Administration	4	4	3	3	4
Road Shop	7	6	7	7	6
Road Construction & Maintenance	33	30	30	34	34
DWI	2	2	2	2	2
Flood Control	9	9	9	9	9
Court Services	3	4	5	7	7
Total	<u>253</u>	<u>257</u>	<u>257</u>	<u>260</u>	<u>260</u>

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

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

	Fiscal Year Ended June 30,									
<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Gov't										
Buildings	3	3	2	2	2	2	2	2	2	2
Building Sites	24	24	24	24	26	24	24	24	23	23
Right of Way	3	3	3	3	3	3	3	3	3	3
Recreation	10	10	10	10	10	10	10	10	10	10
Admin										
Parking	4	4	4	4	4	4	4	4	4	4
Vehicles	115	132	136	142	134	140	128	118	109	101
Equipment	25	29	29	30	30	33	33	30	30	29
Other	86	99	106	112	137	183	178	174	170	167
Clerk Recording & Filing										
Vehicles	1	1	1	1	1	1	1	1	1	1
Equipment	4	4	4	4	4	4	1	1	1	1
Other	3	3	3	2	2	1	1	1	1	1
Courthouse										
Parking	1	1	1	1	1	1	1	1	1	1
Other	1	1	1	1	1	1	1	1	1	1
DWI										
Vehicles	1	1	1	1	1	1				
Other	4	3	3	3	2	2	2	1	1	1
Fire Departments										
Stations	16	16	16	15	14	14	14	14	14	14
Vehicles	62	58	58	45	44	43	40	38	36	34
Pumpers	27	27	28	22	22	20	19	18	18	17
Tankers	17	17	15	13	13	12	11	9	8	8
Equipment	5	5	5	6	6	6	6	6	6	5
Other	28	28	32	29	27	14	11	9	9	8

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

Function/Program	Fiscal Year Ended June 30,									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Flood Department										
Vehicles	33	33	33	35	34	33	31	29	28	26
Other	5	5	5	5	4	4	4	4	4	4
Law Enforcement										
Other	2	2	2	2	2	2	2	2	2	2
Other Grants & Contract										
Vehicles	14	3	3	3	3	3	3	3	3	1
Equipment	0	1	1	1	1	1				
Other	7	6	6	3	3	3	1	1	1	1
Property Valuation										
Vehicles	5	5	5	5	5	5	5	5	5	5
Road Dept.										
Buildings	4	4	4	4	4	4	4	4	4	4
Bridges	22	22	22	22	22	22	22	22	22	22
Vehicles	129	137	137	135	141	132	125	121	118	116
Equipment	1	1	1	1	5	1	1	1	1	1
Other	32	25	25	23	3	15	13	10	10	10

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

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

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Public Works (4)										
Street Resurfacing (miles) (1)	70	29	63	81	64	69	41	43	62	54
Traffic Sign (2)	503	437	465	449	2,903	772	1,135	1,023	1,454	1,915
Streets (miles)	1,415	1,423	1,400	1,409	1,407	1,407	1,413	1,419	1,426	1,418
Streetlights (3)	42	42	33	33	33	33	33	33	33	33
Law Enforcement										
Traffic Citations	1,821	1,698	1,889	2,095	1,598	934	1,162	1,078	1,184	1,529
911 Calls Answered (5) (6)	47,056	46,251	52,049	58,912	86,555	79,261	76,595	75,843	74,665	71,737
Zoning, Building, and Planning										
Residential Building Permits	13	52	18	18	11	12	14	29	11	9
Commercial Building Permits	7	5	13	5	2	4	2	3	4	0
Detention Center										
Total Bookings	3,915	4,206	4,643	4,668	4,754	4,543	4,705	4,674	4,879	4,311
Fire Departments										
Number of Calls Answered (6)	4,127	633	414	313	311	407	303	548	331	441

Source: Various County departments.

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

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

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

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

The rest of the departments are on calendar year.

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

6. Number of calls answered in 2019 include medical calls fire departments responded to.

COMPLIANCE SECTION



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

County Commissioners of
Chaves County
Roswell, New Mexico and
Mr. Brian Colón, Esq.
New Mexico State Auditor
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds of Chaves County (the County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents and have issued our report thereon dated November 25, 2019.

Internal Control Over Financial Reporting

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

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

County Commissioners of
Chaves County and
Mr. Brian Colón, Esq.
New Mexico State Auditor

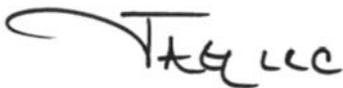
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
November 25, 2019

**STATE OF NEW MEXICO
CHAVES COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

NONE

STATE OF NEW MEXICO
CHAVES COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified not considered to be material weakness(es)? No
- Non-compliance material to financial statements noted? No

**STATE OF NEW MEXICO
CHAVES COUNTY
EXIT CONFERENCE
JUNE 30, 2019**

The contents of this report were discussed, in a closed session, on November 25, 2019. The following individuals were in attendance:

Chaves County

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

Jaramillo Accounting Group LLC (JAG)

Shawn Mortensen, CPA, Manager

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