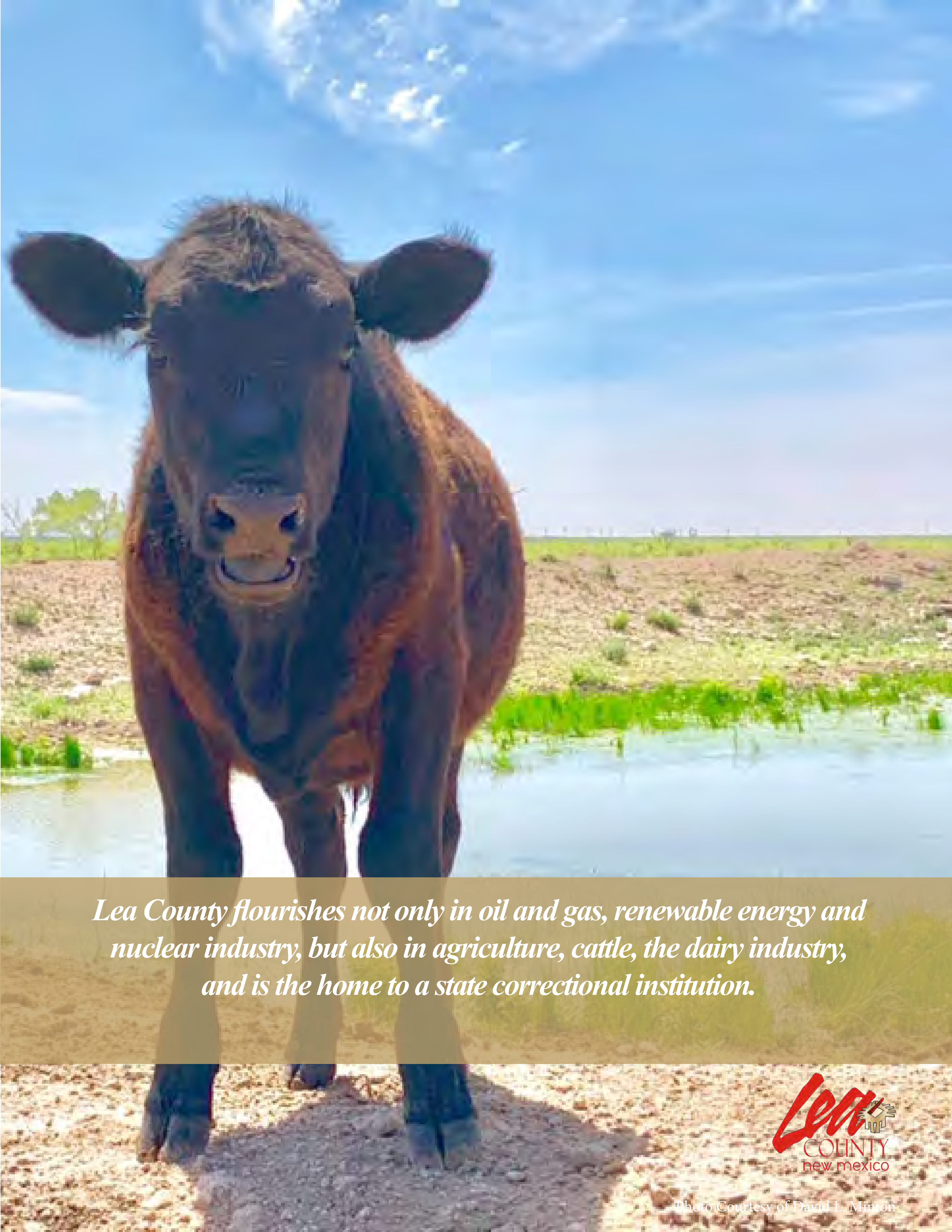
LEA COUNTY, NEW MEXICO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR 2019-2020

Photo Courtesy of David L. Minton

Lea
COUNTY
new mexico



Lea County flourishes not only in oil and gas, renewable energy and nuclear industry, but also in agriculture, cattle, the dairy industry, and is the home to a state correctional institution.

Photo Courtesy of David L. Minton

LEA COUNTY
NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020

Prepared by:
Lea County Finance Department

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Board of County Commissioners
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Lovington, New Mexico 88260

Lea COUNTY new mexico

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December 1, 2020

To the Chairperson of the Commission, Members of the Commission, and the Citizens of Lea County:

New Mexico state law, Section 12-6-3, NMSA 1978, mandates that the financial affairs of every New Mexico agency be thoroughly examined and audited each year by the State Auditor, personnel of the State Auditor's office designated by the State Auditor, or by independent auditors approved by the State Auditor. A completed set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and rules issued by the State Auditor is due by December 1st each year for the fiscal year ending June 30th. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Lea County, New Mexico for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of Lea County. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of Lea County has established a comprehensive internal control framework that is designed both to protect government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Lea County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Lea 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Lea County's financial statements have been audited by Pattillo, Brown & Hill, L.L.P., as approved by the State Auditor. The goal of the independent audit was to provide reasonable assurance that the financial statements of Lea County for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified (or clean), opinion that Lea County's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report and can be found on page 18 to the financial statements.

The independent audit of the financial statements of Lea County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal control and legal requirements involving the administration of federal awards. The reports are available with the "Single Audit Reports" section of this report starting on page ___.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A, starting on page __, can be found immediately following the independent auditor's report.

PROFILE OF LEA COUNTY

Lea County was created from Eddy and Chaves Counties in 1917 and named for Captain Joseph Calloway Lea, just five years after New Mexico was admitted to the Union as a state. The County is located in the Southeast corner of New Mexico and borders the state of Texas on the south and east borders. Lea County is part of the Permian Basin, the largest oil and gas producing in the United States and one of the largest in the world. Lea County is currently the #1 oil producing County in the United States having reached that position in December 2019. The County has a land area of approximately 4,400 square miles and a 2020 estimated population of 69,611. The population increased by 7.5% from the 2010 Census count of 64,727. The land ownership is distributed as follows: Private ownership 52%, State Government 31%, and Federal Government 17%. The County is home to five municipalities: Lovington (the County seat), Eunice, Hobbs, Jal and Tatum.

New Mexico state law, Section 7-37-7 B(1), NMSA 1978, sets the maximum property tax rate a County may charge for general operating purposes at eleven dollars eighty-five cents ($11.85) for each one thousand dollars ($1,000) of net taxable value of both residential and nonresidential property allocated to the County. Net taxable value is determined to be one third (1/3) of the assessed value of the property. The County rate for FY 20 was seven dollars eleven cents ($7.11) for residential and ten dollars sixty cents ($10.60) for non-residential property. The County may also implement certain county local option gross receipts taxes (GRT), some requiring voter approval. The County gross receipt tax rate as of June 30, 2020 is 5.500%, which is comprised of the state rate of 5.125% and the local county options of .375%. The County is currently tied with one other New Mexico county for the lowest GRT rate. The tax is imposed on sales of both services and intangibles.

Lea County operates under the Commission, County Manager form of government. Policy making and legislative authority are vested in the County Commission consisting of the Commission Chairperson and four other Commission members serving five districts. The County Commission is responsible for, among other things, passing ordinances, adopting the annual budget, appointing committees, serving as the Board of Finance and the Indigent Board, and hiring the County Manager. The County Manager is responsible for carrying out the policies and ordinances of the County Commission and overseeing the day-to-day operations of the County coordinating with the Commission, Department Directors as well as the other County Elected Officials (Assessor, Clerk, Probate Judge, Sheriff and Treasurer). All County elected officials are elected on a staggering basis to serve four-year terms.

Lea County offers a full range of services, including fire protection through three volunteer fire stations and one Airport Fire Facility at Lea Regional Airport. Staffing includes a County Fire Marshal along with two paid firefighters and forty-one volunteers. The County also provides for the enjoyment and protection of it's citizens through the Sheriff's Office, Road Department, Environmental Services, DWI/Misdemeanor Compliance, and Detention Center. Lea County provides commercial jet services in partnership with the City of Hobbs and the Economic Development Corporation of Lea County. The Lea County Event Center and the Lea County Fairgrounds provides many entertainment options for citizens. The annual Lea County Fair & Rodeo is recognized as one of the top fairs in New Mexico. In addition, the County Assessor, Clerk, Probate Judge and Treasurer provide document recording, property tax assessments, tax collections and probate services.

Lea County is the fiscal agent for four separate legal entities, the Lea County Solid Waste Authority, Lea County Communications Authority, Lea County Water Users Association and the Eddy-Lea Energy Alliance. Each of these entities has a board who is responsible for the oversight of the entity.

The annual budget serves as the foundation for Lea County's financial planning and control. The County Commission is required to annually approve and submit an interim budget by June 1st and a final approved budget by July 31st to the New Mexico Department of Finance and Administration (DFA) for their review and approval. The legal level of budgetary control is defined at the fund level, the lowest level of which the County's Management may not reallocate resources or make over expenditures without the approval of the Commission. The appropriated budget is prepared by fund and department. All budget adjustments between line items must be approved by the County Commission. All budget increases and transfers between funds must also be approved by the DFA. The County Commission also annually approves the five-year Infrastructure Capital Improvement Plan (ICIP). The capital improvement process entails input from County Staff, citizens, social organizations and the community and is submitted to the County Commission for discussion and approval at a regularly scheduled meeting. Both short-term and long-term capital infrastructure needs are identified and prioritized based on existing health and safety hazards, requirement by law, regulation or court mandate, critical to structural integrity, impact on operating budget, and scheduling. Potential sources of funding are identified for each project. The County's approved ICIP is then incorporated into the State of New Mexico's capital planning process. The County also updates and monitors the Strategic Plan which outlines goals and accomplishments for each department.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy: Lea County is located in the Permian Basin, which is one of the most prolific oil & gas producing basins in the world. As a result, Lea County became the number one (#1) oil producing County in the United States in December 2019 and has held the title each month since. Although the oil industry is highly cyclical and subject to wide swings it is the main driver for economic activity in the region. When oil prices are strong the area is "booming" and when they collapse it is a "bust". Retail, food service, hospitality, construction, etc. are all dependent upon the activity in the oil industry.

The oil and gas industry is the major contributor to Lea County's revenue base in most years. The County receives revenue from an Oil & Gas Production Revenue Tax that can vary sharply depending on whether the County is in a boom or bust period. For example, oil & gas revenue went from $19,597,346 in FY 16 to a record $53,000,000 in FY 20, an increase of 170%. It is anticipated that oil & gas revenues in FY 21 will decrease by 43% to less than $30,000,000. The County also receives Oil & Gas Equipment Taxes that are based upon the value of oilfield equipment use in Lea County. Property taxes make up the other major source of revenue but are more stable in nature due to state tax statutes.

In order to lessen dependency on the oil industry, the County has worked diligently to diversify the economy and has become a factor in the nuclear energy industry. In 2010, Unrenco, USA, opened a uranium enrichment facility that employs more than 230 near Eunice, New Mexico. Currently, the Eddy-Lea Energy Alliance, an organization composed of Eddy County, Lea County, the City of Hobbs and the City of Carlsbad, has signed an agreement with Holtec International to build a interim nuclear waste storage facility near the Eddy and Lea County lines subject to federal licensing approval. The outcome of the 2020 election could have a significant impact on the long-term future of the oil industry. Lea County will carefully monitor future legislation in order to assess the impact to the budget.
The service industry in Lea County has expanded over the past several years in response to the growth experienced during the boom which ran from 2016 until early 2020 when the Covid-19 pandemic and subsequent oil price crash began. New businesses that opened during the period includes Firehouse Subs, Cotton Patch Restaurant, Planet Fitness, Southern Honey Boutique, Tornado Wash #2, Family Dollar, Church's Chicken among others in Hobbs; Love's Truck Stop in Eunice; Pilot Truck Stop in Jal; and Drylands Brewery, Cobblestone Creamery, and True Brew Coffee in Lovington.

There are numerous projects planned in the area in 2020 and beyond. Big Dog Industries has selected Lovington as the site of a new facility that specializes in all areas of the hemp market. The company has a deal with the Lovington EDC to purchase the former cheese plant with the intention of bringing 125 jobs to Lovington over the next five years. The economic impact to Lea County is estimated to be $261 million in revenue generated locally. The estimated gross receipts tax is over $68 million to the City of Lovington and $7.6 million to Lea County. Other new projects planned are a Tornado Car Wash and a hotel.

Covenant Hospital, which recently purchased Lea Regional Medical Center, is planning to build a new $52 million hospital in Hobbs. The planned hospital is set to open in 2022 and will employee between 200-250 people and include a full range of healthcare services. Hobbs Municipal Schools has started construction of the $46 million Career Technical Education Center that will provide a variety of technical training programs for area students. Several retail projects that are scheduled to open over the next year include the Texas Roadhouse Restaurant, Marshall's, Famous Footwear, PetSmart, Ross Dress for Less and a T-Mobile store. There are also several housing sub-divisions under development that will add more than 1,000 new homes and several apartment projects under construction that will address the need for housing in the County.

Southern Lea County will see the construction of a 220 megawatt solar farm west of Jal. Tip Top Solar Energy is developing the $215 million project and plans to start construction in 2021 and employee 300-400 people during the construction phase.

Lea County is currently working on expanding the Lea Regional Airport facilities to increase air service to Houston and Denver. The County is expanding the terminal, parking and rebuilding the aprons to provide service for up to three gates. Work is expected to be completed by the end of 2020.

As FY 20 began, Lea County was experiencing record activity in the oil industry which produced record revenues for the County. With the onslaught of the Covid-19 pandemic and the oil price crash, Lea County saw a an increase in unemployment and a decrease in oil activity. As the County moves into the FY 21 fiscal year the oil industry has leveled off and has began to grow again. The long-term prospects for Lea County look great and the future is bright.

Financial Planning: The County has developed a five year strategic plan that outlines both short-term and long-term goals. The plan was approved by the Commission in April 2016 and is scheduled to be updated during the FY 21 fiscal year. The plan is a result of discussions with elected officials, department directors, local leaders and citizens on how the County can best address the needs of the citizens. A copy of the strategic plan can be obtained on the County website at www.leacounty.net or from the County Manager.

Due to the volatility of revenue sources associated with oil and gas industry, Lea County prepares a five year General Fund budget based upon current conditions and future revenue and expenditure assumptions. This allows County officials to evaluate the long-term impact of those assumptions and guide them in making better informed budget decisions.
The County Commission is required by the State to annually prepare a five year Infrastructure Capital Improvement Plan (ICIP) prioritizing capital projects and identify potential funding sources. The top five ICIP projects in place as of June 30, 2020 budget cycle include:

Project	Project Cost	Funded to Date	Funding Not Yet Funded
Lea County Courthouse Remodel	$ 27,400,000	$ 20,900,000	$ 6,500,000
Detention Center Renovation	23,142,392	6,642,391	16,500,000
ISO Fire Department Improvements	2,500,000	1,500,000	1,000,000
Knowles Fire Station #2	800,000	600,000	200,000
Battle Axe Road Reconstruction	$ 8,230,000	$ 1,530,000	$ 6,700,000

Cash Management Policies: The state DFA requires New Mexico counties to maintain a cash balance in the General Fund of at least 3/12th (25%) of the General Fund's budgeted expenditures and a 1/12th (8.3334%) reserve for county road funds in order to maintain adequate cash flow until the next significant property tax collection. Effective July 1, 2020, the County has enacted a local option to create a local General Fund reserve of one year of the General Fund's budgeted expenditures and establish a capital reserve of fifteen percent (15%) of total budgeted capital. At June 30, 2020, the County had required reserves of $7,542,267 and $1,384,361 for the General Fund and Road Fund, respectively. The County also had $30,169,066 reserved for local option General Fund reserves and $10,392,622 reserved for capital. Based on the ending General Fund balance at June 30, 2020 of $103,498,126.36, the County had funds available in excess of required and local reserves of $54,009,813. The County Commission elected to create these local reserves to protect against sudden swings in revenue caused by price changes in the oil industry.

Awards and Acknowledgments: Lea County received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation award for the FY 19 Program Budget. Entities that receive the Distinguished Budget Presentation award are considered those who have prepared the highest quality budget documents. This is the 5th year that the County has received this GFOA budget award.

A certificate of Achievement is valid for a period of one year only. Lea County believes that our current budget continues to meet the Distinguished Budget Presentation award program's requirements and we are submitting it to the GFOA to determine it eligibility for another certificate.

Lea County received the Audit & Accountability Award Mid-Size Counties for Fiscal Year 2018. The award is given annually by the New Mexico Office of State Auditor and the New Mexico Association of Counties.

The Lea County Fair & Rodeo was named the outstanding event for 2019 by the New Mexico Hospitality Association. The award is given annually to honor events that improve tourism and quality of life in New Mexico.

Lea County is submitting this Comprehensive Annual Financial Report (CAFR) for consideration of the the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the year ended June 30, 2020. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This is the first year that Lea County has sought this GFOA award.

We would like to express out appreciation to each member of the Finance Department, Assessor's Department and Treasurer's office that assisted and contributed to the preparation of this report. This final report would not have been possible with their dedication and professionalism. We also extend our appreciation to the County Commission for their continued support in maintaining the highest standards making it possible to the needs of Lea County's citizens and visitors.

Respectfully submitted,

Mike Gallagher, ICMA-CM
County Manager

Chip Low, CPA CGMA
Finance Director

"Lea County is part of the Permian Basin, the largest oil and gas producing in the United States and one of the largest in the world. Lea County is currently the #1 oil producing County in the United States having reached that position in December 2019."

Photo Courtesy of Cindy Wilcox

Board of County Commissioners

Dean Jackson, Vice Chair
District 1

Rebecca Long, Chair
District 2

Gary Eidson
District 3

Jonathan Sena
District 4

Don Jones
District 5

Lea County Elected Officials

Sharla Kennedy
Lea County Assessor

Keith Manes
Lea County Clerk

Sandra Goad
Lea County Probate Judge

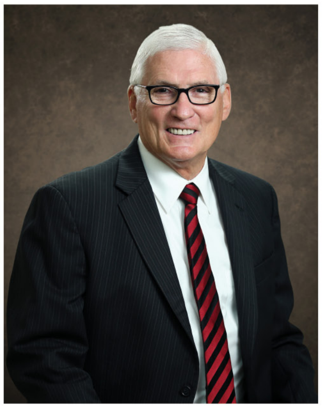
Corey Helton
Lea County Sheriff

Susan Marinovich
Lea County Treasurer

Lea County Management

Michael Gallagher, ICMA - CM
County Manager

Corey Needham, P.E.
Assistant County Manager



John Caldwell
County Attorney

Chip Low, CPA CGMA
Finance Director

Craig Bova
Human Resources Director

Angela Martinez
LCCA Director

Lorenzo Velasquez
Emergency Management &
Environmental Services Director

Ruben Quintana
LCDC Warden

Edmundo Lara
Interim Facilities Director

Kelly Ford
DWI & Misdemeanor
Compliance Director

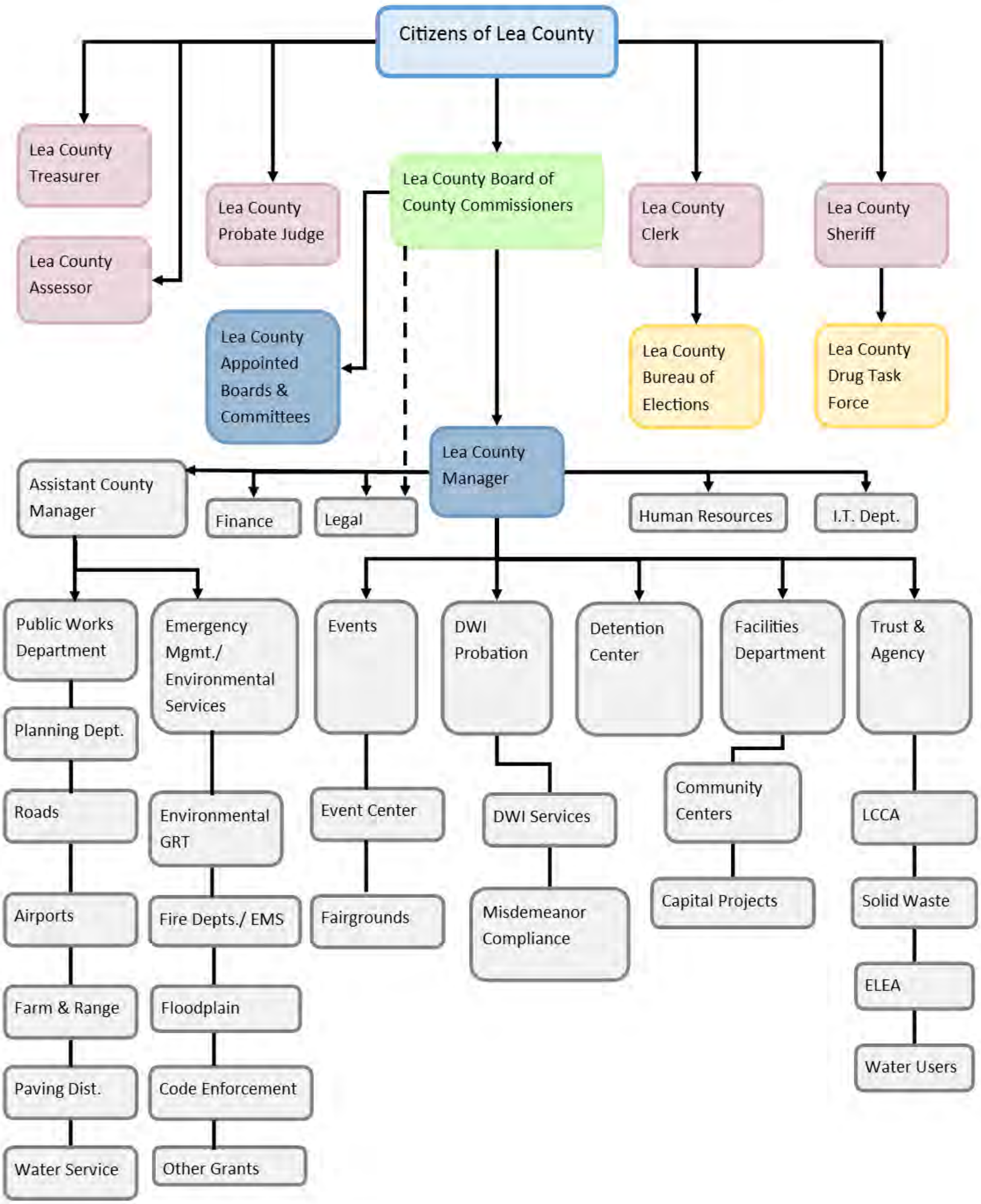
The original settlers of this area would find it hard to believe that Lea County has become so populated and plays a vital role in the production of some of the nation's energy resources.

leacounty.net/p/open-government/about

Lea COUNTY new mexico

Photo Courtesy of Laura Mohon

Lea County Organization Chart



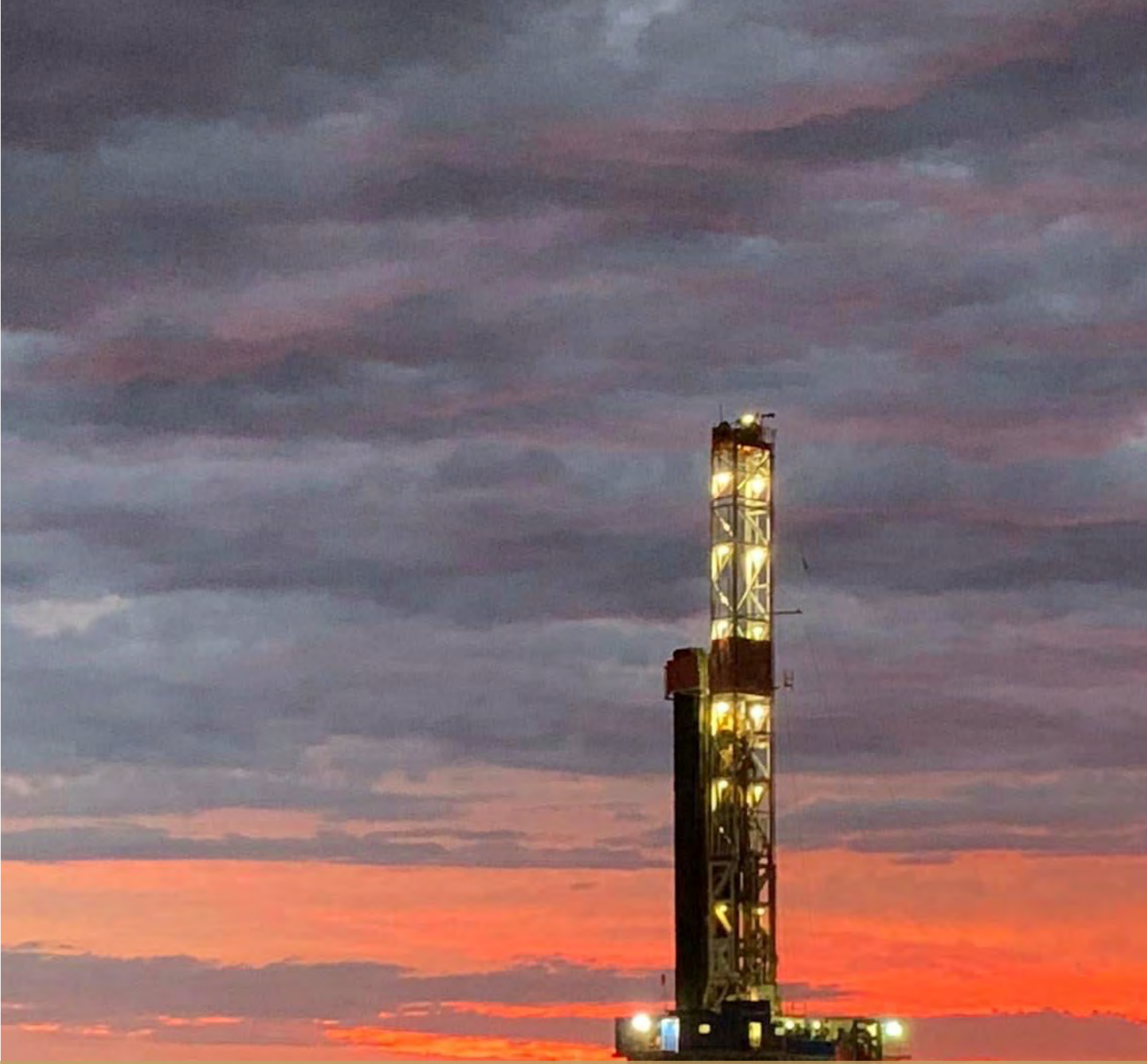


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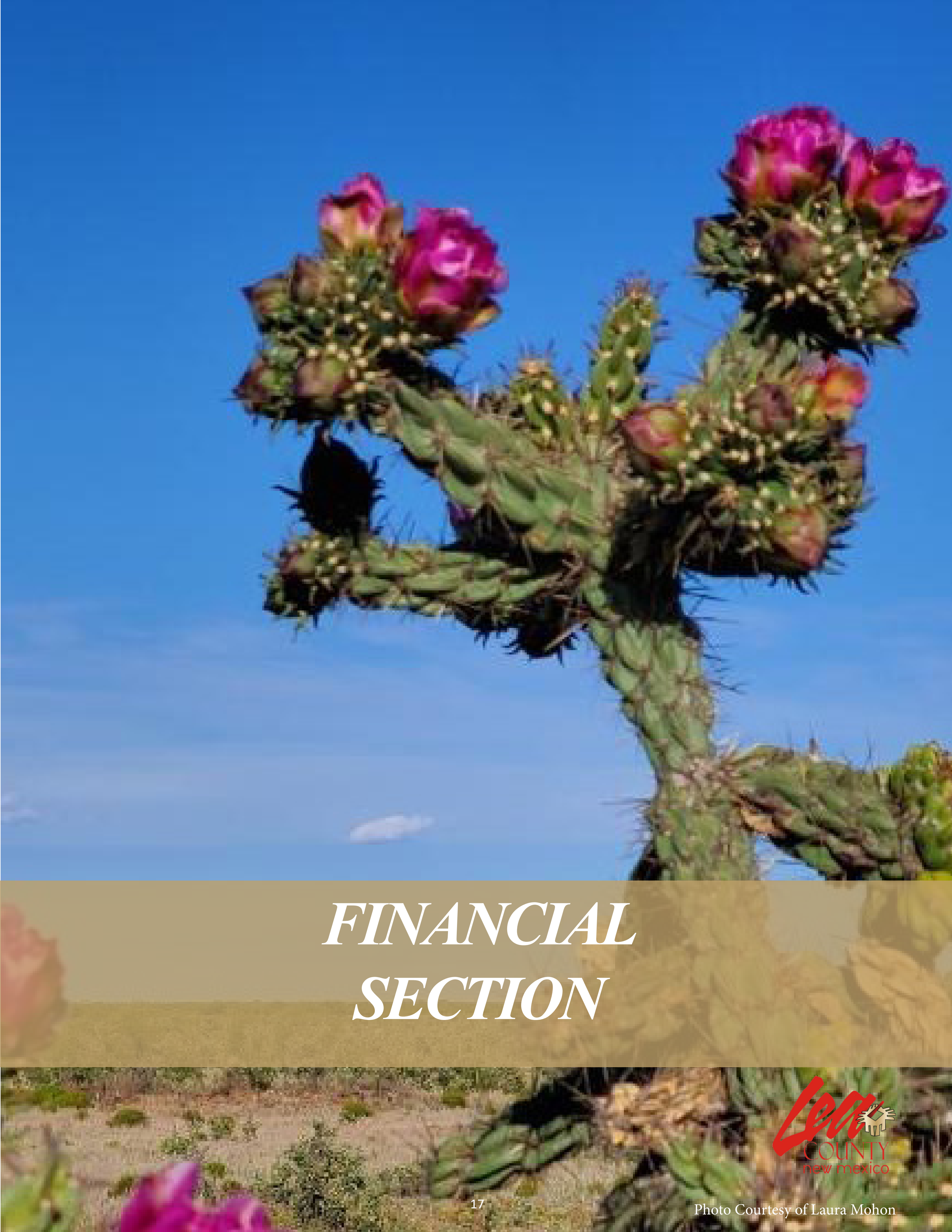
Photo Courtesy of Kala Laughrin



FINANCIAL SECTION

Photo Courtesy of Laura Mohon

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Albuquerque, New Mexico 87110
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Independent Auditors' Report

To Brian S. Colón, Esq.
New Mexico State Auditor

The County Commission
Lea County

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of Lea County, New Mexico (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's 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.

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 of the County, as of June 30, 2020, and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 24-31 and the *Schedules of the County's Proportionate Share of the Net Pension Liability and Net OPEB Liability*, and *Schedules of County Contributions* on pages 96 - 101 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and the other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

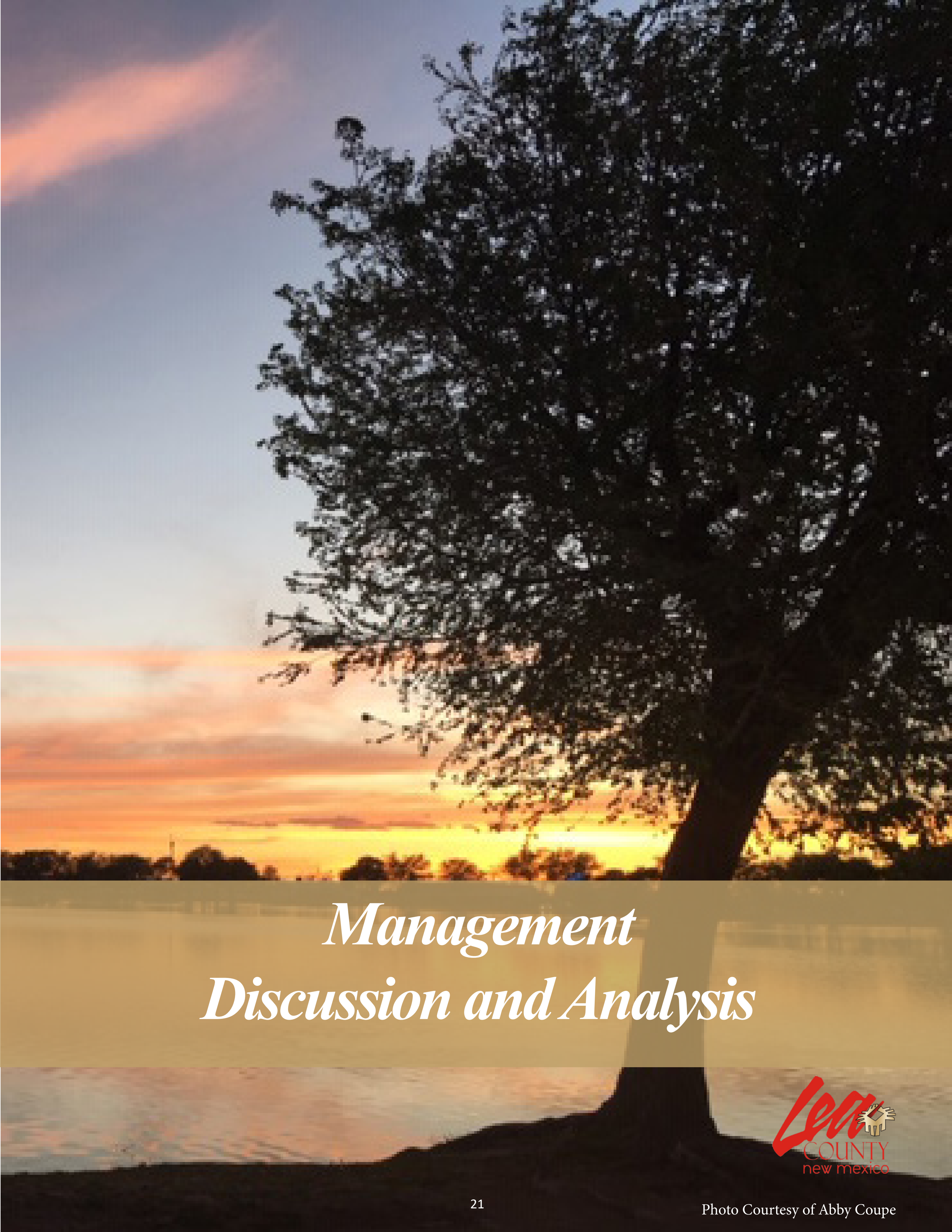
The introductory section, the statistical section, and the other disclosures have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, L.L.P.
Albuquerque, New Mexico
December 1, 2020



Management Discussion and Analysis

Photo Courtesy of Abby Coupe

As management of Lea County, we offer readers of Lea County's financial statements this narrative overview and analysis of the financial activities of Lea County for the fiscal year ended June 30, 2020. 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 at the beginning of this report.

Financial Highlights

- The assets and deferred outflows of Lea County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $307,608,594 (*net position*). Of this amount, $47,463,545 was reported as *unrestricted net position*.

- Total net position increased by $37,574,847 due the increase in revenue generated from increased activity in the oil and gas industry. The County has a history of conservative budgeting which recognizes the volatility of oil and gas revenue and the need for strong cash reserves.

- The County Commission approved a resolution in December 2019 to retire all outstanding revenue bond debt. The debt was retired in December and the total cost of retirement was $4,980,114 plus accrued interest.

- As of the close of the current fiscal year, Lea County's governmental funds reported combined ending fund balances of $124,896,734, increasing $22,446,250 from the prior year. Approximately 76.0% of this total fund balance amount, $94,925,623, is available for spending at the government's discretion (*unrestricted fund balance*).

- At the end of the current fiscal year, unrestricted fund balance for the General Fund was $94,925,623, or more than 3x total general fund expenditures.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Lea County's finances, in a manner similar to the private-sector business. These statements consist of the statement of net position and the statement of activities.

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

The S*tatement 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 vacation leave).

Both of the government-wide financial statements distinguish functions of Lea County that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities)*. The governmental activities of Lea County include general government, public safety, public works, health and welfare, culture and recreation, and environmental. Lea County has no business-type activities at this time.

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. Lea County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Lea County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The County has one proprietary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Lea County maintains 48 individual governmental funds. 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 Fund, Road Fund, Detention Facility Fund, Lea Regional Airport Fund, Lea County Fairgrounds Fund and Capital Projects Fund, all of which are considered to be major funds. Governmental fund balances are classified as *non-spendable*, *restricted*, *committed*, *assigned*, and *unassigned*. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Lea County adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate budget compliance.

Proprietary Funds

Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among various functions. Lea County had one proprietary funds at the end of the current fiscal year.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Lea County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Lea County uses a fiduciary fund mainly to distribute property taxes, including oil and gas equipment and production taxes, collected on behalf of municipalities, schools, college, and conservancy/irrigation/water districts.

Notes to the Financial Statements

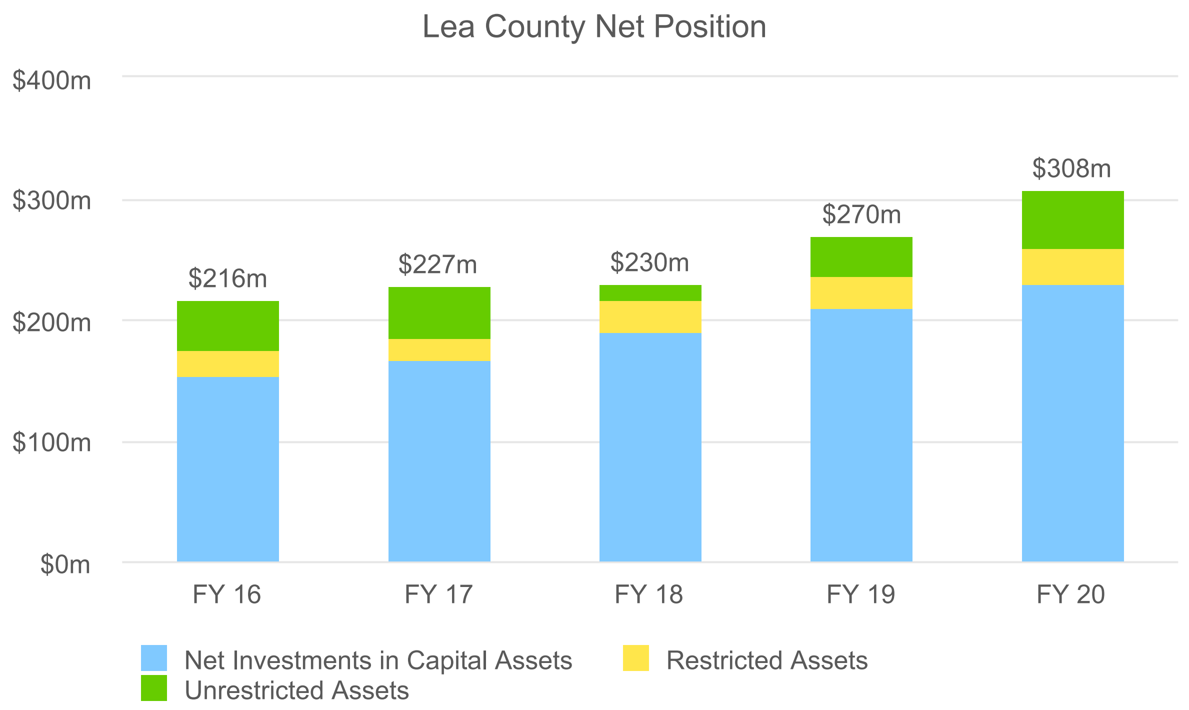
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules that further support the information in the financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Lea County, total assets and deferred outflows exceeded liabilities and deferred inflows by $129,698,670 at the close of the most current fiscal year. Below is a chart indicating the net position changes over the last five fiscal years.



In FY20, 75% of Lea County's net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding (net of unspent proceeds). Lea County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The amount over the net position is due to the required reporting of the County's proportion of net pension and OPEB liabilities totaling $50.2 million at June 30, 2020. Although Lea County's investment in its capital assets is reported net of related 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.

Lea County's Net Position

	Governmental Activities	
	FY 20	**FY 19**
Cash & Cash Equivalents	$107,226,896	$78,426,390
Investments	$17,806,897	19,494,122
Receivables	$4,039,288	8,256,978
Capital Assets	$230,173,938	214,735,508
Total Assets	**$359,247,019**	**320,912,998**
Deferred Outflows - Pension Related	$8,599,634	10,973,873
Deferred Outflows - OPEB Related	$2,845,206	635,009
Total Deferred Outflows	**$11,444,840**	**11,608,882**
Current Liabilities	$3,414,396	3,836,652
Long-term Liabilities	$50,998,529	52,590,587
Total Liabilities	**$54,412,925**	**56,427,239**
Deferred Inflows - Pension Related	$1,006,707	2,054,706
Deferred Inflows - OPEB Related	$7,663,633	4,006,188
Total Deferred Inflows	**$8,670,340**	**6,060,894**
Net Investment in Capital Assets	230,173,938	209,860,508
Restricted Assets	29,971,111	26,154,219
Unrestricted Assets	47,463,545	34,019,020
Total Net Position	**$307,608,594**	**$270,033,747**

An additional portion of Lea County's net position, $29,971,111, represents resources that are subject to external restrictions on how they may be used (*restricted net position*). The remaining balance of $47,463,545 represents *unrestricted net position.*

Net position increased by $37,574,847 representing a 13.91% increase from the prior fiscal year. That is in line with the 17% increase over last years increase of $39,985,559. This is reflective of the County's commitment to conservative management.

Governmental activities

The following table provides a summary of the County's operations for the year ended June 30, 2020.

Lea County's Changes in Net Position

	Governmental Activities	
	FY 20	FY 19
Revenues:		
Program Revenues		
Charges for Services	$3,976,086	$4,887,069
Operating Grants & Contributions	5,883,342	5,315,545
Capital Grants & Contributions	1,732,322	425,880
General Revenues		
Property Taxes	21,546,626	18,634,296
Oil & Gas Taxes	56,997,759	48,706,163
Gross Receipts Taxes	23,048,517	22,534,132
Gas/Motor Vehicle Taxes	263,467	369,900
Sale of Capital Assets	—	0
Payments in Lieu of Taxes	3,026,191	4,056,216
Investment Earning	1,508,323	1,947,898
Miscellaneous	670,110	756,098
Business Type Activities	—	—
Total Revenues	118,652,743	107,633,197
Expenses:		
General Government	25,135,132	18,712,334
Public Safety	30,084,368	25,235,684
Culture & Recreation	3,397,402	3,349,472
Health & Welfare	14,520,642	10,911,550
Public Works	7,787,998	8,514,005
Capital Outlay	—	792,526
Interest Relating To Long-Term Debt	150,424	120,481
Business Type Activities	1,930	11,586
Total Expenses	81,077,896	67,647,638
Change in Net Position	37,574,847	39,985,559
Net Position Beginning	270,033,747	230,048,188
Net Position Ending	$307,608,594	$270,033,747

Governmental activities increased Lea County's net position by $37,574,847. Key elements of this increase are as follows:

Revenues: Revenues in FY20 increased from FY19 by 10.2%.

- Property taxes increased by 15.62% to $21,545,626. This is due to increased property values and more investment by oil and gas producers in facilities.

- Oil & Gas Production and Equipment Tax revenue increased by 17.0% to $56,997,759. This is due to the increase in oil & gas production that resulted in Lea County becoming the #1 oil producing county in the nation.

- Gross Receipts Tax Revenue continued to be strong with a 2.2% increase from the prior to $23,048,517. The main driver for gross receipt taxes in Lea County is the rig count and it has remained stable over the past two years.

- Payments in Lieu of Taxes (PILT) - PILTS's are composed of two types, federal and local. The federal government owns approximately 31% of the land in Lea County and has agreed to pay an annual PILT. The other type of PILT comprises payments due from companies that have agreed to a payment in lieu of taxes in order to invest in Lea County. The 25% decrease in PILT's from the prior year to $3,026,191 is due to one of the companies protesting the amount of PILT due.

- Other revenues decreased by $525,563. This is mainly due to a lower investment income due to lower interest rates.

Due to Lea County's diversified revenue sources through gross receipts taxes, property taxes, and oil and gas equipment and production taxes, revenues overall remained sufficient to operate the FY20 budget.

Expenses: Expenses increased by 19.8% from the prior fiscal year.

- The County strives to remain competitive amongst local employers and across the region in regards to wage and benefit costs. Salary studies are performed annually, and adjustments are made where necessary to fulfill this goal. Lea County recognizes the need to retain the current workforce, so the Commission approved a 3% merit increase for all County employees who were eligible along with a 2% COLA. The County also added 13 new positions which included 10 more Deputies for the Sheriff's Department. This resulted in direct payroll cost increasing by $4.5 million. Additional benefit related costs were also associated with the increase.

- There were no increases in premiums and no changes to the County health insurance plan for FY20.

- The General Government expenses increased by $6.4 million from FY19. Of that increase, the County paid out $4.98 million to retire all outstanding debt.

- Public Safety expenses increased due to the addition of 10 new Deputies and the increased costs associated with the activity in the oil industry.

- Lea County is required to remit 116% of Indigent Gross Receipts taxes received in the prior year. This resulted in the increase in Health and Welfare expenditures rising by 33% or $3,609,092.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of Lea County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Lea County's financing requirements. In particular, unrestricted fund balance (consisting of committed, assigned, and unassigned balances) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Lea County's governmental funds reported combined ending fund balances of $124,896,734 an increase of $22,446,250 in comparison with the prior fiscal year's fund balance. The increase is attributable to increased revenue from activity in the oil and gas industry and the increase in oil production. Additionally, due to the volatility in the oil and gas industry and the potential for sudden price drops, the County is very conservative when budgeting and works to maintain substantial reserves.

Approximately 76.0% of this total amount, or $94,925,623 constitutes unrestricted fund balance which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for the following purposes: General Fund ($9,029,359), Road ($1,363,439), and other purposes ($19,578,313). A detailed listing of governmental fund balances by classification in accordance with GASB 54 can be found in Note 1 – Summary of Significant Accounting Policies.

The General Fund is the chief operating fund of Lea County. At the end of the current fiscal year, unrestricted fund balance of the General Fund was $94,925,623, while total fund balance reached $103,954,982. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents more than 3 times the total of General Fund expenditures.

The fund balance of the General Fund increased by $18,629,358, primarily due to the increase in revenue associated with the oil and gas industry.

Major Funds

Other key governmental-type funds (major funds), other than the General Fund, include the Road Fund, Detention Fund, the Lea Regional Airport Fund, the Lea County Fairgrounds Fund and the Capital Projects Fund.

The **Road Fund** accounts for all of the revenues and expenditures of the County Road Department. Lea County maintains over 1,200 miles of roadways of which approximately 50% is paved. The County receives funding from the state to help offset the costs of road maintenance. During FY 20, Lea County invested more than $4.6 million in reconstructing roads throughout the County.

The **Lea County Detention Center** houses detainees being held for court appearances or serving short term sentences. Lea County also has agreements with other Counties to provide housing for prisoners as needed on a per diem basis. The Detention Center has an agreement with the federal government to house federal inmates on a temporary basis with a per diem basis. During the FY 20 fiscal year, the Detention Center had an operating deficit of $8,805,934 that was covered by transfers from the General Fund.

The **Lea County Fairgrounds** is multi-purpose year round facility which strives to meet the educational and entertainment needs of Lea County residents. The County sponsors the annual Lea County Fair & Rodeo which is recognized as one of the premier events in the southwest. The County expended over $3.5 million in capital improvements during FY 20. This included a new General Services Building and upgrades to restrooms and other facilities.

The **Lea Regional Airport Fund** is used to account for the revenue and expenses of operating the airport. Lea Regional currently has an agreement with United Airlines through the Lea County EDC to provide commercial air service to Lea County. The airport receives funding from the state and the FAA to make improvements. Typically, those grants pay in excess of 90% of the cost of construction. During FY 20, Lea County constructed an addition to the terminal that adds additional seating and gates. The County also reconstructed the apron area around the terminal and did various upgrade to the runways and taxiways. Total capital improvements for FY 20 was $7,776,838, of which $2,234,982 was provided through state and federal grant. The terminal projection is wholly paid for by Lea County with cash reserves.

The **Capital Projects Fund** is used to budget for capital equipment and projects that are paid for by the County using County funds. The majority of the $5.9 million expended in FY 20 was for the completion of the new judicial complex. The total cost of the project is in excess of $32 million.

General Fund Budgetary Highlights

During the fiscal year, the County Commission approved adjustments to the County's budget. The Finance Department strives to complete budget adjustments on an as needed basis to help keep the budget up-to-date and maintain services to the County. The General Fund's final amended revenue estimates were $4,085,455 more than the original estimates and the expenditure budget was $4,251,997 more than the original expenditure budget. The main budgetary highlights can be summarized as follows:

- The General Fund received more revenues from property taxes (mainly oil & gas taxes) than was originally budgeted due to increased oil production in the County. The amount received in excess of the budget was $17,039,732.

- General Fund expenditures were $8,513,877 less than budgeted. Due to the level of activity and pay in the oil industry, the County has trouble maintaining full staffing levels. The County typically only expends about 90% of budgeted payroll. The Commission also budgets funding for projects with other local governments that may not come to fruition in the current year.

- The Road Fund saw actual expenditures under budget by $6.4 million primarily due to delays in getting several large projects started.

Capital Asset and Debt Administration

Capital Assets

Lea County's investment in capital assets for its governmental activities as of June 30, 2020 amounts to $230,173,938 (net of accumulated depreciation) as compared to $209,860,508 in the prior fiscal year. This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads, bridges and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Reconstruction project on a portion of Orla Road at a cost of $1,330,860.

- Reconstruction project on a portion of Legion Road at a cost of $1,104,446

- Construction of a new south parking lot at the Fairgrounds at a cost of $2,046,609.

- A new booster pump at the Detention Center at a cost of $421,107.

- 37 new vehicles were purchased for the County costing $2,544,570.

- Construction started on the new Lea Regional Airport Terminal. Approximately $6.0 million spent to date.

Lea County's Capital Assets (net of depreciation)
Governmental Activities

	FY 20	FY 19
Buildings	$50,248,955	$51,786,409
Infrastructure	94,811,264	90,792,684
Land	9,519,443	9,519,443
Machinery & Equipment	5,302,395	4,531,661
Other Improvements	5,105,698	5,424,346
Vehicles	6,839,651	5,761,400
Water Rights	575,000	575,000
Total	$172,402,406	$207,056,316

Long-Term Debt

At the end of the current fiscal year, Lea County had retired all outstanding debt.

More information concerning outstanding debt and these transactions can be found in Note11.

Lea County's Outstanding Debt
Governmental Activities

	FY 20	FY 19
GRT Revenue Bonds	$0.00	$4,875,000

Credit Ratings

At the time of retirement, Lea County's Series 2013 Refunding Bonds were rated A1 by Moody's.

Debt Limitations

New Mexico state statutes limit the amount a county may issue in general obligations bonds to 4% of the total assessed value of the property within the county. Lea County's total assessed value at the close of the current fiscal year was $6,828,204,042. Thus, Lea County's legal debt limit is $273.13 million. Lea County had no general obligations bonds outstanding at the close of the current fiscal year.

Economic Factors and Next Year's Budget and Tax Rates

- The COVID-19 pandemic along with the subsequent crash in oil prices forced Lea County to substantially reduce revenue estimates for the FY 21 budget year. This in turn forced the County to cut expenditures and freeze all open positions (36 total). The overall volatility of the oil industry forces Lea County to take a very conservative approach to budgeting and long-term planning.

- The implemented property tax rate continues to be $10.60 per thousand dollars of valuation. .

- The sales tax rate from July 1, 2019 to June 30, 2020 remained at 5.50%. Lea County shares the lowest rate of any County in the state with one other County.

- Oil and gas revenues were budgeted at an estimated 70.28% decrease from the prior year's actual receipts. While the FY20 revenues were significantly higher than what was expected, the County budgeted FY21 very conservatively due to the oil price crash and sudden fall in production.

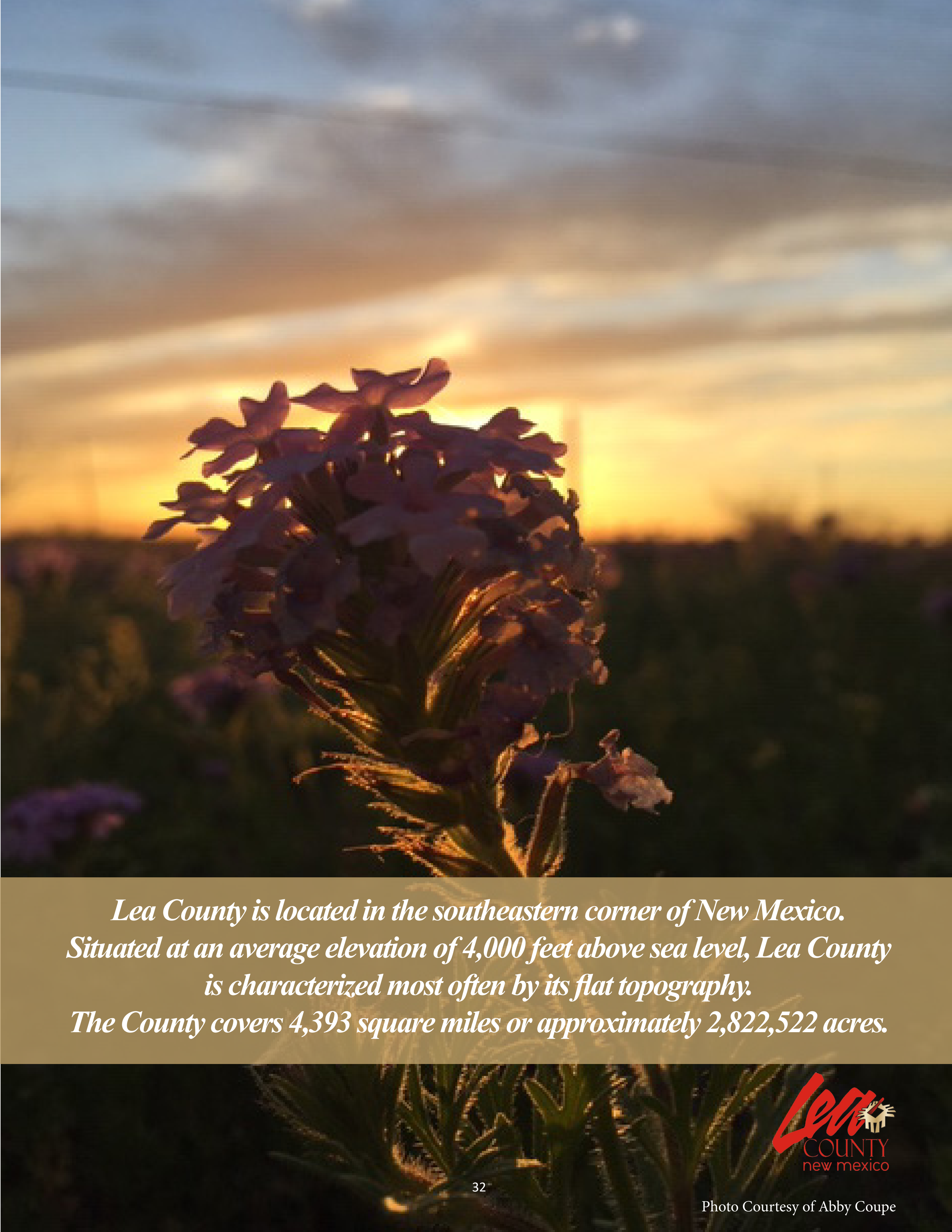
- In FY21 the County Commission did not provide any merit raises and froze 36 open position until the economic situation improves..

- The County Commission did not make any changes to the health insurance plan for FY21. Premiums are paid 95% by the County and 5% by the employee. There was a budgeted increase of 4% for FY 21.

- All of these factors were considered in preparing Lea County's operating budget for the 2020 fiscal year as well as planning for the FY21 budget process.

Requests for information

This financial report is designed to provide a general overview of Lea County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lea County Finance Director, 100 N. Main Ave., Lovington, NM 88240.



Lea County is located in the southeastern corner of New Mexico. Situated at an average elevation of 4,000 feet above sea level, Lea County is characterized most often by its flat topography. The County covers 4,393 square miles or approximately 2,822,522 acres.

Photo Courtesy of Abby Coupe

Basic Financial Statements

Photo Courtesy of Matthew Vela

STATE OF NEW MEXICO
LEA COUNTY
STATEMENT OF NET POSITION
June 30, 2020

		Primary Government		
		Governmental Activities	Business-type Activities	Total
ASSETS				
Current:				
Cash and cash equivalents	$	106,884,400	342,496	107,226,896
Investments		17,806,897	-	17,806,897
Property tax receivables		823,761	-	823,761
Due from other governments		3,112,224	-	3,112,224
Other receivables		103,303	-	103,303
Total current assets		128,730,585	342,496	129,073,081
Noncurrent assets:				
Capital assets, net accumulated depreciation		227,250,929	2,923,009	230,173,938
Total noncurrent assets		227,250,929	2,923,009	230,173,938
Total assets		355,981,514	3,265,505	359,247,019
DEFERRED OUTFLOWS				
Pension related		8,599,634	-	8,599,634
OPEB related		2,845,206	-	2,845,206
Total deferred outflows		11,444,840	-	11,444,840
Total assets and deferred outflows	$	367,426,354	3,265,505	370,691,859

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
STATEMENT OF NET POSITION
June 30, 2020

		Primary Government		
		Governmental Activities	Business-type Activities	Total
LIABILITIES				
Current liabilities:				
Accounts payable		2,687,775	1,305	2,689,080
Accrued payroll liabilities		475,693	-	475,693
Interest payable		-		-
Debt due within one year		-	-	-
Current portion of compensated absences		249,623	-	249,623
Total current liabilities		3,413,091	1,305	3,414,396
Noncurrent liabilities:				
Debt due in more than more one year		-	-	-
Long term portion of compensated absences		748,871	-	748,871
Net pension liability		37,120,253	-	37,120,253
Net OPEB liability		13,129,405	-	13,129,405
Total noncurrent liabilities		50,998,529	-	50,998,529
Total liabilities		54,411,620	1,305	54,412,925
DEFERRED INFLOWS				
Pension related		1,006,707	-	1,006,707
OBEP related		7,663,633		7,663,633
Total deferred inflows		8,670,340	-	8,670,340
NET POSITION				
Net investment in capital assets		227,250,929	2,923,009	230,173,938
Restricted for:				
Special revenues		24,533,338	-	24,533,338
Debt Service		5,437,773	-	5,437,773
Unrestricted		47,122,354	341,191	47,463,545
Total net position		304,344,394	3,264,200	307,608,594
Total liabilities, deferred inflows, and net position	$	367,426,354	3,265,505	370,691,859

STATE OF NEW MEXICO
LEA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

			Program Revenues	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 25,135,132	2,154,996	610,341	-
Public safety	30,084,368	1,449,685	2,483,686	-
Culture and recreation	3,397,402	185,369	-	-
Health and welfare	14,520,642	-	-	-
Public works	7,787,998	186,036	2,789,315	1,732,322
Capital Outlay	-	-	-	-
Interest relating to long-term debt	150,424	-	-	-
Total Governmental Activities	81,075,966	3,976,086	5,883,342	1,732,322
Business-type Activities:				
Water service proprietary fund	1,930	-	-	-
Total Business-type Activities	1,930	-	-	-
	$ 81,077,896	3,976,086	5,883,342	1,732,322

General Revenues:
Property taxes
Payment in lieu of taxes
Investment earnings
Miscellaneous

Total general revenues

Change in net position

Net position - beginning as previously stated

Net position - ending

See Notes to Financial Statements

Net (Expenses) Revenues and Changes in Net Position Primary Government		
Governmental Activities	Business-type Activities	Total
(22,369,795)	-	(22,369,795)
(26,150,997)	-	(26,150,997)
(3,212,033)	-	(3,212,033)
(14,520,642)	-	(14,520,642)
(3,080,325)	-	(3,080,325)
-	-	-
(150,424)	-	(150,424)
(69,484,216)	-	(69,484,216)
-	(1,930)	(1,930)
-	(1,930)	(1,930)
(69,484,216)	(1,930)	(69,486,146)
101,555,009	-	101,555,009
3,026,191	-	3,026,191
1,508,323	-	1,508,323
971,470	-	971,470
107,060,993	-	107,060,993
37,576,777	(1,930)	37,574,847
266,767,617	3,266,130	270,033,747
$ 304,344,394	3,264,200	307,608,594

STATE OF NEW MEXICO
LEA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

		General Fund 401	Road 402	Detention Facility 418
ASSETS				
Current:				
Cash and temporary investments	$	85,791,377	1,346,176	504,804
Investments		17,706,752	-	-
Receivables				
Property taxes receivable		823,761	-	-
Receivable from other governments		1,038,919	90,694	58,380
Other receivables		91,515	-	3,003
Total current assets	$	105,452,324	1,436,870	566,187
LIABILITIES AND FUND BALANCE				
Current liabilities:				
Accounts payable	$	540,963	40,500	234,036
Accrued payroll liabilities		285,996	32,931	108,841
Interest payable		-	-	-
Unearned revenues		-	-	-
Total current liabilities		826,959	73,431	342,877
DEFERRED INFLOWS				
Unavailable revenue		670,383	-	
Total deferred inflows		670,383	-	-
FUND BALANCE (DEFICIT)				
Nonspendable:				
Restricted		9,029,359	1,363,439	223,310
Unassigned		94,925,623	-	-
Total fund balance (deficit)		103,954,982	1,363,439	223,310
Total liabilities, deferred inflows, and fund balance (deficit)	$	105,452,324	1,436,870	566,187

See Notes to Financial Statements

Lea Region Airport 454	Lea County Fairgrounds 460	Capital Projects 430	Nonmajor Governmental Funds	Total Governmental Funds
880,612	691,948	914,944	16,754,539	106,884,400
-	-	-	100,145	17,806,897
-	-	-	-	823,761
382,904	-	-	1,541,327	3,112,224
-	-	-	8,785	103,303
1,263,516	691,948	914,944	18,404,796	128,730,585
801,855	543,892	159,615	366,914	2,687,775
2,008	6,542	-	39,375	475,693
-	-	-	-	-
-	-	-	-	-
803,863	550,434	159,615	406,289	3,163,468
		-	-	670,383
-	-	-	-	670,383
459,653	141,514	755,329	17,998,507	29,971,111
-	-	-	-	94,925,623
459,653	141,514	755,329	17,998,507	124,896,734
1,263,516	691,948	914,944	18,404,796	128,730,585

The Hobbs area exhibits a truly multicultural heritage: Native American legacy, cowboy legend, farming traditions and Hispanic culture. With their agricultural roots and pioneer spirits, Lea County residents are surrounded by folklore and Western mythology, all enshrined in its museums and libraries.

Lea COUNTY new mexico

Photo Courtesy of Michelle Aker

STATE OF NEW MEXICO
LEA COUNTY
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:	
Fund balances - total governmental funds	$ 124,896,734
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	227,250,929
Defined benefit pension and OPEB plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	11,444,840
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	670,383
Long-term liabilities, are not due in the current period and, therefore, are not reported in the funds	
Net pension liability	(37,120,253)
Net OPEB liability	(13,129,405)
Bond payable	-
Interest payable	-
Compensated absences	(998,494)
Defined benefit pension and OPEB plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(8,670,340)
Total net position	$ 304,344,394

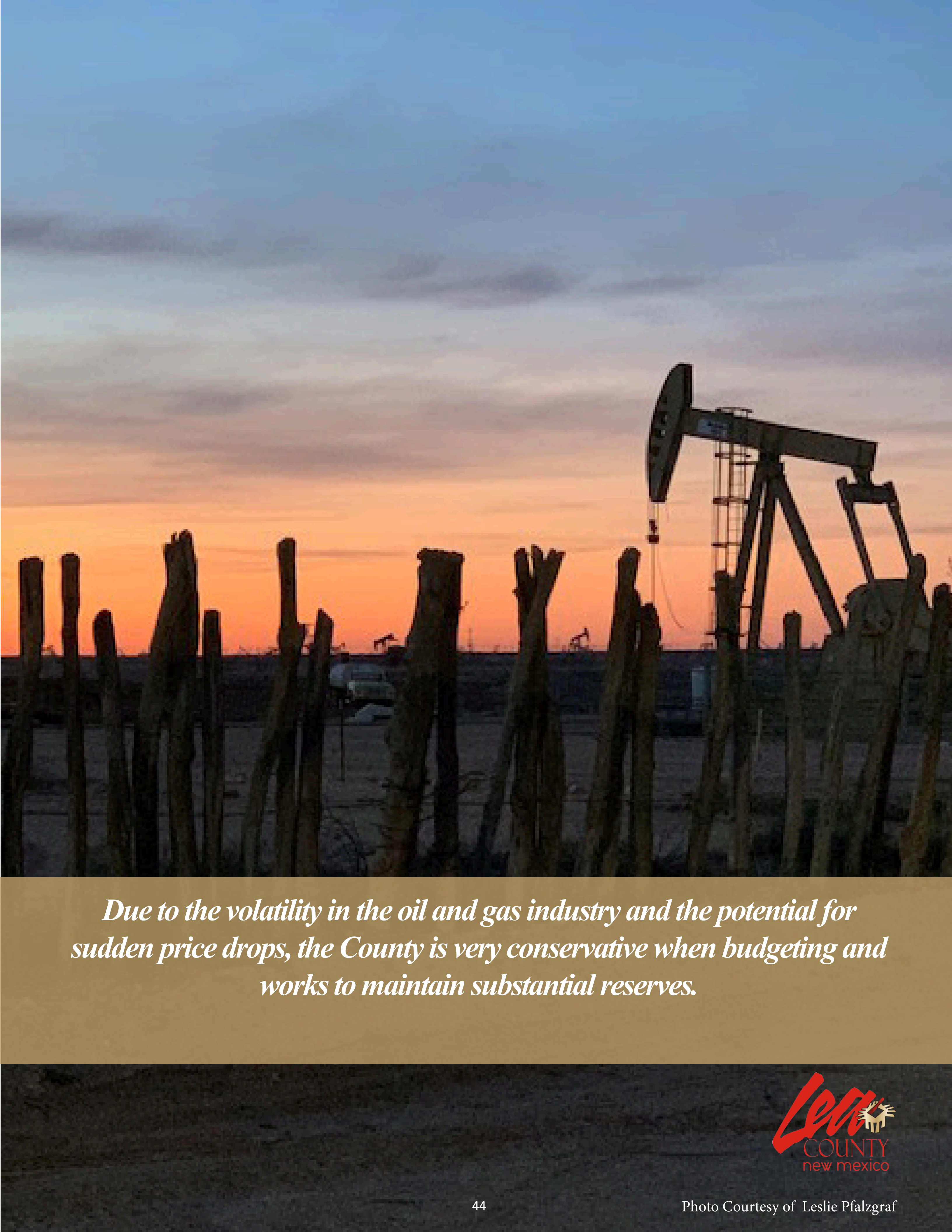
See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

		General Fund 401	Road 402	Detention Facility 418
Revenues:				
Property, sales, and miscellaneous taxes	$	78,390,770	-	-
Payment in lieu of taxes		3,026,191	-	-
Licenses and permits		70,673	-	-
Intergovernmental:				
Federal		22,582	-	-
State		587,759	1,462,076	100,000
Charges for services		801,819	-	1,310,439
Investment earnings		1,495,937	-	-
Miscellaneous		672,293	12,212	619
Total revenues		85,068,024	1,474,288	1,411,058
Expenditures:				
Current				
General government		19,208,968	-	-
Public safety		11,906,993	-	9,726,715
Culture and recreation		-	-	-
Health and welfare		-	-	-
Public works		-	3,439,534	-
Capital outlay		-	6,182,245	490,277
Debt service				
Principal		-	-	-
Interest		-	-	-
Total expenditures		31,115,961	9,621,779	10,216,992
Excess (deficiency) of revenues over expenditures		53,952,063	(8,147,491)	(8,805,934)
Other financing sources (uses):				
Transfers in		-	8,675,000	8,250,000
Transfers out		(35,322,705)	-	-
Total other financing sources (uses)		(35,322,705)	8,675,000	8,250,000
Net change in fund balances		18,629,358	527,509	(555,934)
Fund balances (deficit)- beginning of year		85,325,624	835,930	779,244
Fund balances (deficit) - end of year	$	103,954,982	1,363,439	223,310

See Notes to Financial Statements

Lea Region Airport 454	Lea County Fairgrounds 460	Capital Projects 430	Nonmajor Governmental Funds	Total Governmental Funds
-	-	-	23,048,517	101,439,287
-	-	-	-	3,026,191
-	-	-	109,158	179,831
1,444,110	-	-	1,419,660	2,886,352
790,872	218,378	-	1,570,227	4,729,312
186,036	797,039	-	880,753	3,976,086
-	-	-	12,386	1,508,323
-	52,226	-	202,788	940,138
2,421,018	1,067,643	-	27,243,489	118,685,520
-	-	-	994,748	20,203,716
-	-	-	3,561,096	25,194,804
-	2,615,702	-	763,519	3,379,221
-	-	-	13,900,835	13,900,835
436,618	-	-	431,565	4,307,717
7,776,838	3,545,631	5,903,819	318,703	24,217,513
-	-	-	4,875,000	4,875,000
-	-	-	160,464	160,464
8,213,456	6,161,333	5,903,819	25,005,930	96,239,270
(5,792,438)	(5,093,690)	(5,903,819)	2,237,559	22,446,250
6,000,000	4,877,047	6,000,000	1,520,658	35,322,705
-	-	-	-	(35,322,705)
6,000,000	4,877,047	6,000,000	1,520,658	-
207,562	(216,643)	96,181	3,758,217	22,446,250
252,091	358,157	659,148	14,240,290	102,450,484
459,653	141,514	755,329	17,998,507	124,896,734



Due to the volatility in the oil and gas industry and the potential for sudden price drops, the County is very conservative when budgeting and works to maintain substantial reserves.

Lea County new mexico

Photo Courtesy of Leslie Pfalzgraf

STATE OF NEW MEXICO
LEA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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

Net change in fund balances - total governmental funds	$	22,446,250
Net pension expense		(6,127,999)
Net OBEP expense		928,276
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 and reported as depreciation expense:		
Capital expenditures		24,217,121
Depreciation expense		(7,640,461)
Loss on disposal of capital assets		(1,138,230)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:		
Change in unearned revenue related to the property taxes receivable		115,722
Increase in accrued compensated absences		(108,942)
Principal payments on notes		4,885,040
Change in net position	$	37,576,777

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
GENERAL FUND (401)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ 54,968,529	61,351,038	82,018,720	20,667,682
Payment in lieu of taxes	3,600,000	3,600,000	3,026,191	(573,809)
Licenses and permits	150,250	150,250	70,673	(79,577)
Intergovernmental:				
Federal	-	-	22,582	22,582
State and local	250,000	250,000	587,759	337,759
Charges for services	832,000	832,000	801,819	(30,181)
Investment earnings	1,050,025	1,050,025	1,495,937	445,912
Miscellaneous	275,000	389,437	672,293	282,856
Total revenues	61,125,804	67,622,750	88,695,974	21,073,224
Expenditures				
Current				
General government	22,329,434	25,975,446	19,334,412	6,641,034
Public safety	13,345,620	13,654,392	11,906,993	1,747,399
Total expenditures	35,675,054	39,629,838	31,241,405	8,388,433
Excess (deficiency) of revenues over expenditures	25,450,750	27,992,912	57,454,569	29,461,657
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	95,710,204	95,501,464	(35,322,705)	(130,824,169)
Total other financing sources (uses)	95,710,204	95,501,464	(35,322,705)	(130,824,169)
Net changes in fund balances	$ 121,160,954	123,494,376	22,131,864	(101,362,512)
Reconciliation to GAAP basis:				
Adjustments to revenues			(3,627,950)	
Adjustments to expenditures			125,444	
Net Change in Fund Balances (GAAP Basis)			$ 18,629,358	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
ROAD FUND (402)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget- Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Intergovernmental					
Federal		-	-	-	-
State		2,165,225	2,165,225	1,474,505	(690,720)
Miscellaneous		-	-	12,212	12,212
Total revenues		2,165,225	2,165,225	1,486,717	(678,508)
Expenditures					
Current					
Public works		5,213,116	5,213,306	3,770,564	1,442,742
Capital outlay		10,786,529	10,786,529	6,182,245	4,604,284
Total expenditures		15,999,645	15,999,835	9,952,809	6,047,026
Excess (deficiency) of revenues over expenditures		(13,834,420)	(13,834,610)	(8,466,092)	5,368,518
Other financing sources (uses):					
Transfers in		14,311,313	14,311,313	8,675,000	(5,636,313)
Transfers out		-	-	-	-
Total other financing sources (uses)		14,311,313	14,311,313	8,675,000	(5,636,313)
Net changes in fund balances	$	476,893	476,703	208,908	(267,795)
Reconciliation to GAAP basis:					
Adjustments to revenues				(12,429)	
Adjustments to expenditures				331,030	
Net Change in Fund Balances (GAAP Basis)				$ 527,509	

STATE OF NEW MEXICO
LEA COUNTY
DETENTION FACILITY - SPECIAL REVENUE FUND (418)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget- Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		100,000	100,000	100,000	-
Charges for services		2,156,212	2,156,212	1,419,249	(736,963)
Miscellaneous		-	-	619	619
Total revenues		2,256,212	2,256,212	1,519,868	(736,344)
Expenditures					
Current					
General government		-	-	-	-
Public safety		11,647,620	11,698,786	9,639,835	2,058,951
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		2,954,875	6,542,391	490,277	6,052,114
Total expenditures		14,602,495	18,241,177	10,130,112	8,111,065
Excess (deficiency) of revenues over expenditures		(12,346,283)	(15,984,965)	(8,610,244)	7,374,721
Other financing sources (uses):					
Transfers in		15,327,220	15,327,220	8,250,000	(7,077,220)
Transfers out		-	-	-	-
Total other financing sources (uses)		15,327,220	15,327,220	8,250,000	(7,077,220)
Prior year cash balance budgeted		835,428	835,428		
Net changes in fund balances	$	3,816,365	177,683	(360,244)	(537,927)
Reconciliation to GAAP basis:					
Adjustments to revenues				(108,810)	
Adjustments to expenditures				(86,880)	
Net Change in Fund Balances (GAAP Basis)			$	(555,934)	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
LEA COUNTY AIRPORTS - SPECIAL REVENUE FUND (454)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Intergovernmental:				
Federal	3,032,375	4,485,500	1,444,110	(3,041,390)
State	3,484,063	3,484,063	649,378	(2,834,685)
Charges for services	129,200	129,200	186,036	56,836
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	6,645,638	8,098,763	2,279,524	(5,819,239)
Expenditures				
Current				
Public works	630,754	671,734	436,618	235,116
Capital outlay	13,329,446	14,829,446	6,993,678	7,835,768
Total expenditures	13,960,200	15,501,180	7,430,296	8,070,884
Excess (deficiency) of revenues over expenditures	(7,314,562)	(7,402,417)	(5,150,772)	2,251,645
Other financing sources (uses):				
Transfers in	7,437,600	7,437,600	6,000,000	(1,437,600)
Transfers out	-	-	-	-
Total other financing sources (uses)	7,437,600	7,437,600	6,000,000	(1,437,600)
Prior year cash balance budgeted				
Net changes in fund balances	$ 123,038	35,183	849,228	814,045
Reconciliation to GAAP basis:				
Adjustments to revenues			141,494	
Adjustments to expenditures			(783,160)	
Net Change in Fund Balances (GAAP Basis)			$ 207,562	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
LEA COUNTY FAIRGROUNDS - SPECIAL REVENUE FUND (460)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget- Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		233,330	233,330	218,378	(14,952)
Charges for services		864,460	864,460	797,039	(67,421)
Investment earnings		-	-	-	-
Miscellaneous		90,500	90,500	52,226	(38,274)
Total revenues		1,188,290	1,188,290	1,067,643	(120,647)
Expenditures					
Current					
Culture and recreation		3,273,546	3,277,421	2,618,556	658,865
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		2,557,000	4,832,342	3,545,631	1,286,711
Total expenditures		5,830,546	8,109,763	6,164,187	1,945,576
Excess (deficiency) of revenues over expenditures		(4,642,256)	(6,921,473)	(5,096,544)	1,824,929
Other financing sources (uses):					
Transfers in		6,925,522	6,925,522	4,877,047	(2,048,475)
Transfers out		-	-	-	-
Total other financing sources (uses)		6,925,522	6,925,522	4,877,047	(2,048,475)
Prior year cash balance budgeted		835,428	835,428		
Net changes in fund balances	$	3,118,694	839,477	(219,497)	(1,058,974)
Reconciliation to GAAP basis:					
Adjustments to revenues				-	
Adjustments to expenditures				2,854	
Net Change in Fund Balances (GAAP Basis)				$ (216,643)	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2020

		Water Service Enterprise Fund (675)
ASSETS		
Current Assets		
Cash and cash equivalents	$	342,496
Total current assets		342,496
Noncurrent Assets		
Capital assets:		
Land and improvements, not being depreciated		575,000
Construction in progess, not being depreciated		2,348,009
Total noncurrent assets		2,923,009
Total assets		3,265,505
LIABILITIES		
Current Liabilities		
Accounts payable		1,305
Other liabilities		-
Total liabilities		1,305
NET POSITION		
Net investment in capital assets		2,923,009
Unrestricted		341,191
Total net position	$	3,264,200

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
Year Ended June 30, 2020

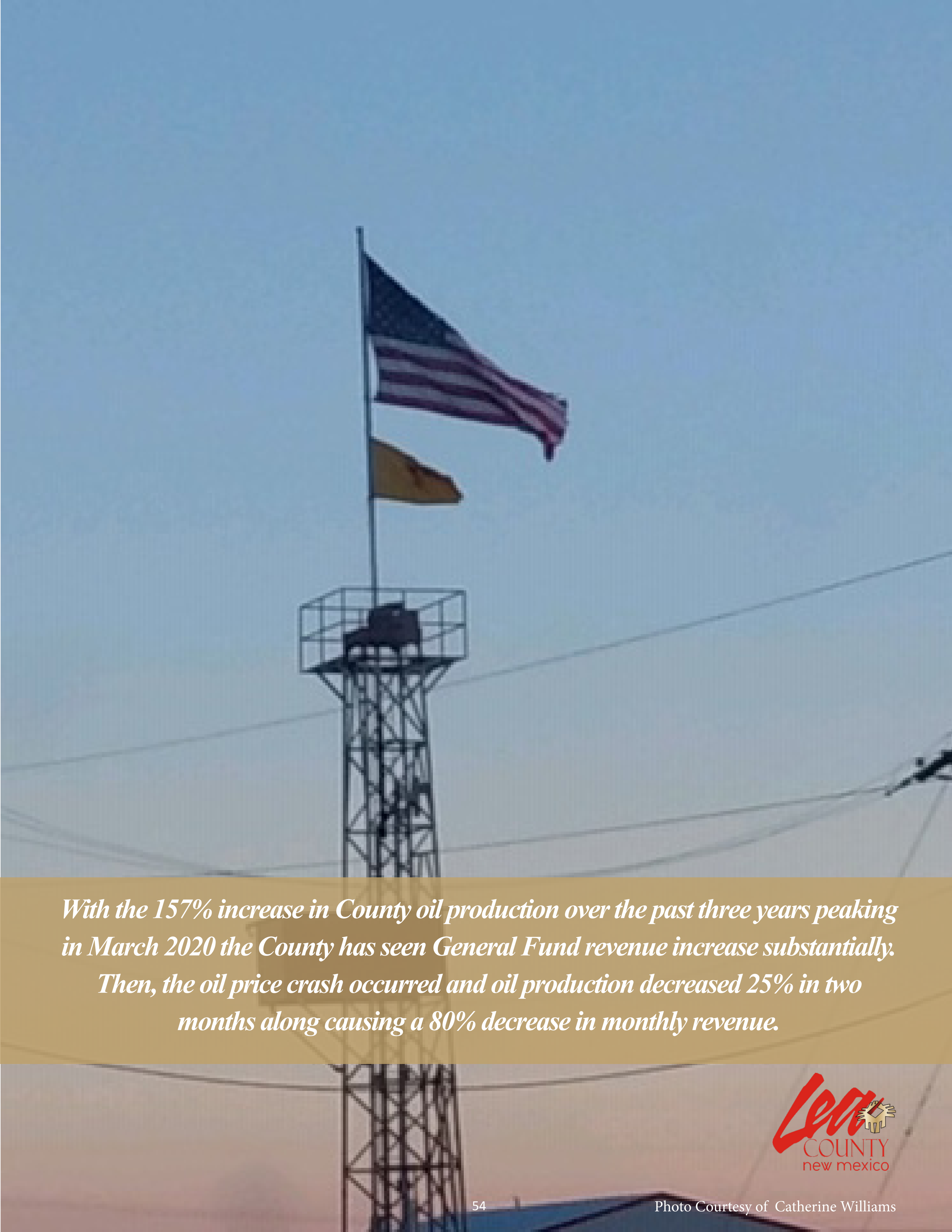
		Water Service Enterprise Fund (675)
Operating Revenues		
Charges for services	$	-
Total operating revenues		-
Operating Expenses		
Operating expenses		1,930
Total operating expenses		1,930
(Loss) income before contributions and transfers		(1,930)
Transfers		
Transfers, out		-
Change in net position		(1,930)
Net position, beginning of year		3,266,130
Net position, end of year	$	3,264,200

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended June 30, 2020

		Water Service Enterprise Fund (675)
Cash Flows From Operating Activities		
Cash received from customers and others	$	-
Cash paid for goods and services		(625)
Net cash provided by operating activities		(625)
Cash Flows From Non-Capital Financing		
Activities Operating transfers, net		-
Net cash used by non-capital financing activities		-
Net (decrease) increase in cash and cash equivalents		(625)
Cash and restricted cash and cash equivalents, beginning of year		343,121
Cash and restricted cash and cash equivalents, end of year	$	342,496
Reconciliation of Operating (Loss) Income to Net		
Cash Provided by Operating Activities		
Operating (loss) income	$	(1,930)
Adjustments to operating (loss) income to		
net cash provided by operating activities:		
Change in assets and liabilities:		
Capital assets		
Accounts payable		1,305
Net cash provided by operating activities	$	(625)

See Notes to Financial Statements



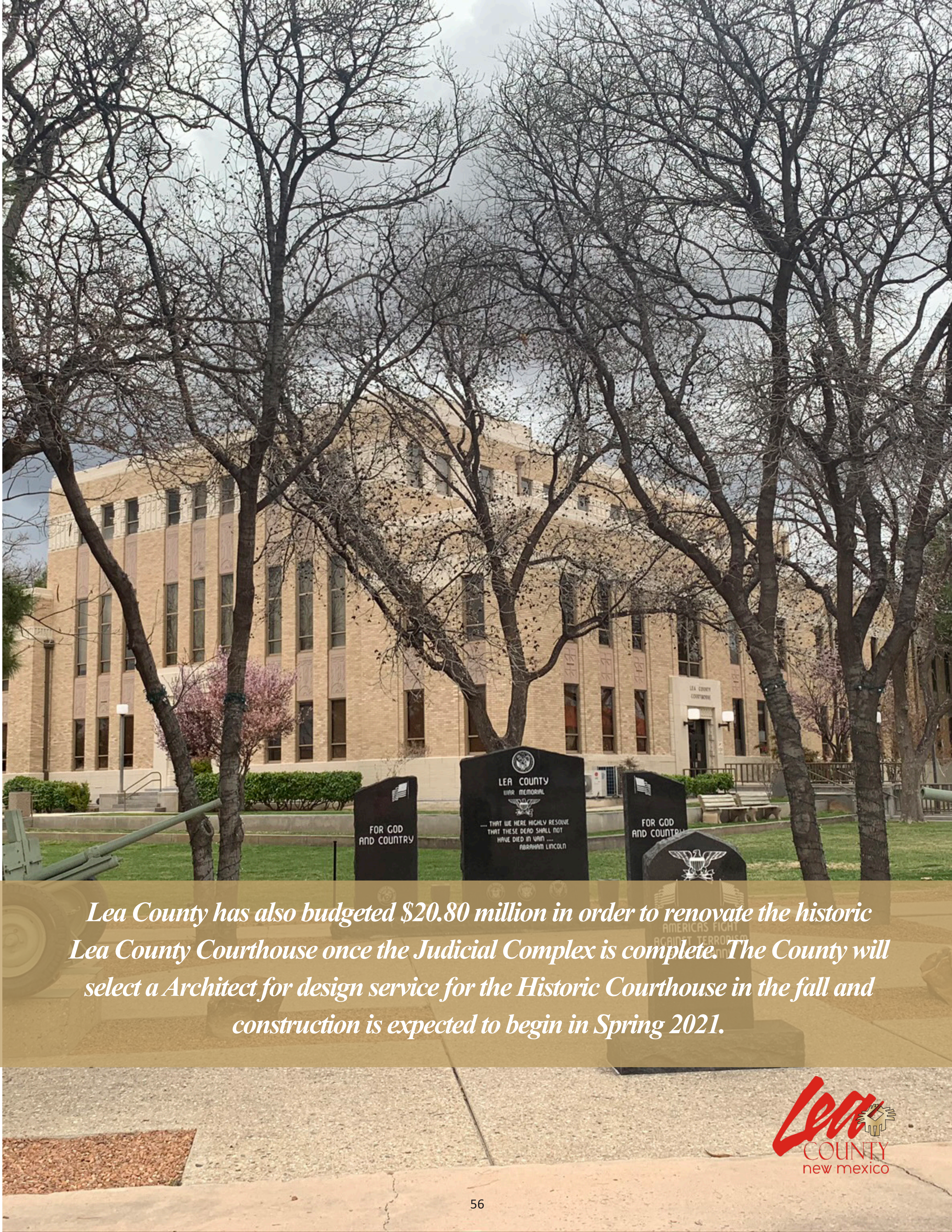
With the 157% increase in County oil production over the past three years peaking in March 2020 the County has seen General Fund revenue increase substantially. Then, the oil price crash occurred and oil production decreased 25% in two months along causing a 80% decrease in monthly revenue.

Photo Courtesy of Catherine Williams

Lea County is nearing completion of a new Judicial Complex to house the New Mexico 5th Judicial District Courts. Construction started in January 2017 and is expected to be complete in early 2021. The County has expended $37.84 million on the project to date and has budgeted $5.0 million in the current year to finish the project.

Lea COUNTY new mexico

Photo Courtesy of Kala Laughrin



Lea County has also budgeted $20.80 million in order to renovate the historic Lea County Courthouse once the Judicial Complex is complete. The County will select a Architect for design service for the Historic Courthouse in the fall and construction is expected to begin in Spring 2021.

Lea COUNTY new mexico

STATE OF NEW MEXICO
LEA COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

		Balance June 30, 2020
ASSETS		
Cash and cash equivalents	$	20,973,656
Taxes receivable		2,762
Total assets	$	20,976,418
LIABILITIES		
Deposits held in trust for others	$	20,973,656
Future taxes collectible		2,762
Total liabilities	$	20,976,418

See Notes to Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lea County (the County), New Mexico was created in accordance with Section 40-3-1 NMSA 1978 Compilation on September 25, 1916. The powers of the County are exercised by an elected Board of County Commissioners. During general elections in the State of New Mexico, a County Treasurer, County Clerk, Probate Judge, County Sheriff, County Assessor, and County Commissioners are elected. The County is operated by a County Manager, who is appointed by the County Commissioners.

The County assesses, collects, and distributes all property taxes, records property and legal documents, provides law enforcement services, health and social services, culture and recreation, tourist promotion and maintains County roads.

This summary of significant accounting policies of the County is presented to assist in the understanding of the County's financial statements. The financial statements and notes are the representation of the County's management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 more significant of the government's accounting policies are described below.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP).

The basic (but not the only) criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Lea County Fair Board

The Lea County Fair Board is appointed by the Lea County Commissioners. The Lea County Commissioners provide facilities for the annual fair and rodeo and the finances required over and above the resources provided by the fair and rodeo. The operations of the fairgrounds are incorporated into the general fund of the County and reported therein. The County does not have any component units.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report, except for County fiduciary funds, information on all of the activities of the County. The effect of interfund transfers and other internal activity has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental Activities are supported mainly by taxes and intergovernmental revenues and are reported separately from the business-type activities, which are supported by fees and charges for services provided.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund meets the criteria as a major governmental fund. Each major fund is reported in separate columns in the fund financial statements. Non-major funds include other Special Revenue, Capital Projects, Debt Service and Permanent funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented within Combining and Individual Fund Statements and Schedules.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the fund financial statements. 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. Major revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met. Derived tax revenues are recognized when the underlying exchange transaction takes place.

Revenues are classified as program revenues and general revenues. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, and grants not restricted to specific programs and investment earnings.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

Governmental fund-level financial statements are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unearned revenue. Those revenues susceptible to accrual include interest revenues, franchise taxes, gross receipts taxes, charges for services, and grants from other governments.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

Indirect expenses of the County are not allocated among functional activities on the statement of activities on the government-wide presentation. Instead, depreciation and other indirect expenses are reported as a part of general government, and interest on long-term debt is reported as a separate line item.

The County reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The County reports deferred inflows of resources in the government wide financial statements for inflows received, but not recognized as revenue until future years subject to time restrictions. In the governmental funds, the County recognizes deferred inflows of resources for property taxes and time restricted grants that are not considered available.

The government reports the following major governmental funds:

The General Fund (401) is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, judicial, public welfare, health services and capital acquisition.

The Road Fund (402) is used to account for funds used to maintain County roads, included but not limited to administration, operation, maintenance, and capital outlay. Authorized by sections 6-623, 7-1-6-19, 67-3-82.2, and Chapter 113, Laws of 1992, NMSA.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

The Detention Facility Fund (418) is used to account for the revenues and expenditures related to the operation of the Lea County Detention Center. This fund is authorized by Resolution No. 14-JUL-030R.

The Leas County Region Airport Fund (454) is used to account for revenues and expenses related to the operation of the Lea County Region Airport as per 49 CFR Section 18 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

The Lea County Fairgrounds Fund (460) was established by resolution to account for revenues and expenses related to the operation of the County's fairgrounds.

The Capital Projects Fund (430) is used to account for the funds committed by the County Commission for capital improvement projects to benefit Lea County. This fund is authorized by Resolution No. 14-JUL-30R.

Other fund types include proprietary funds and fiduciary funds, which are considered as non-major funds. Non-major funds include special revenue funds, capital projects funds, debt service funds and permanent funds.

Proprietary funds - The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The County reports the following proprietary fund types:

The Water Service Enterprise Fund (675) is used to account for provision of water and sewer services for which a fee is charged to external users for goods. The activity reported in this fund is reported as business-type activity in the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. The principal operating revenues of the Water Service Enterprise fund includes charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds - Fiduciary fund level financial statements include fiduciary funds, which are classified into private purpose trust and agency funds. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government- wide financial statements.

Budgetary Information

Budgets are adopted on the cash basis, which is not in accordance with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, capital projects, debt service, permanent funds and proprietary funds. All annual appropriations lapse at the fiscal year-end.

The County Manager is responsible for preparing the budget from requests submitted by department directors. The preliminary budget is submitted to a budget committee for approval and then the comprehensive budget package is brought before the County Commissioners for approval by resolution.

The proposed budget is then submitted by June 1 to the New Mexico Department of Finance and Administration Local Government Division (DFA) for approval. DFA certifies a preliminary budget by July 1 with final certification of the budget by the first Monday of September. The expenditure section of the budget, once adopted, is legally binding.

Increases or decreases in the budget of a fund or transfers of appropriations between funds must be presented to the County Commission for approval by resolution and must subsequently have DFA approval. Amendments made to the original budget are included in the budgetary comparison statements of this report, which reflect actual to budget. Budgets and amendments to the budgets for all funds are adopted in a legally permissible manner. The legal level of budgetary control is the fund level.

Cash and Cash Equivalents

Cash and cash equivalents in the financial statements, including the statement of cash flows presented for proprietary funds, includes amounts on demand deposits, as well as short-term investments with a maturity date within twelve months of the date acquired by the County.

In accordance with Section 6-10-17, NMSA, 1978 Compilation, the County is required to collateralize an amount equal to one-half of the public money in excess of insured funds at each financial institution. Deposits in overnight repurchase agreements are required to be covered by pledged collateral equal to 102% of the deposit. All of the County's depositories were in compliance with collateral requirements.

Receivables and Payables

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recorded as receivables and revenues at the time eligibility requirements established by the provider have been met.

Receivables and Payables (Continued)

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible amounts.

Lending or borrowing between funds is reflected as "due to or due from" (current portion) or "advances to/from other funds" (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund activity reflected in "due to or due from" is eliminated on the government-wide statements.

Advances to Other Funds

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and in the fund financial statements are offset by a reservation of fund balance which indicates they do not represent "available spendable resources." Immaterial amounts of inventory are not recorded by the County. Inventory items are expensed when purchased.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, software and infrastructure assets are reported in the government-wide financial statements. Capital assets such as equipment are defined, per Section 12-6-10 NMSA 1978, as assets with a cost of $5,000 or more. Infrastructure assets include County-owned roads and bridges. Information technology equipment, including software, is capitalized in accordance with NMAC 2.20.1.9 C (5).

Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Capital Assets (Continued)

Assets	Years
Infrastructure	50
Buildings	25-40
Landfill	25
Roads	25
Equipment and Furniture	5-15
Vehicles	5-15
Computer Hardware	5

The County has retroactively reported all major general infrastructure assets in accordance with GASB 34.

Compensated Absences

A liability for unused vacation and sick time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

1) Leave or compensation is attributable to services already rendered
2) Leave or compensation is not contingent on a specific event (such as illness)

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the government-wide statements.

The County's permanent, full-time employees accrue 3.75 hours of vacation per pay period (biweekly) from date of employment to five years of service, 4.75 hours per pay period from 6 years to 10 years of service, 5.75 hours per pay period from 11 years to 15 years of service, and 6.75 hours per pay period for 16 or greater years of continuous employment. Upon termination from County employment, an employee shall be entitled to payment of up to 240 hours of accrued but unused hours of vacation.

The County's permanent, full-time employees accrue sick leave at the rate of eight 3.75 hours per pay period (biweekly) from date of employment to 10 years of service and 4.75 hours per pay period for 11 or greater years of continuous employment. Sick leave is paid to current employees if the employees are absent from work due to illness, injury or other situations requiring medical attention. An employee who terminates employment of the County shall receive no compensation for accrued sick leave. Amounts of accrued vacation leave are accrued in the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under the governmental activities statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond 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.

Net Position

Net position includes net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets, consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position are balances with constraints placed on their use that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. A further classification of restricted net position exists for those balances included in permanent endowments or permanent fund principal amounts. These net balances are classified as either expendable or nonexpendable. Nonexpendable net position includes those that are required to be retained in perpetuity. Unrestricted net position consists of net balances that do not meet the definition of "restricted" or "invested in capital assets."

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund, for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring and non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Assets

Restricted assets are assets which have third-party limitations on their use. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Investments

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2020.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

1. **Non-spendable Fund Balance:** Non spendable fund balance shall mean the portion of the gross fund balance that is not expendable (such as inventories or fixed assets) or is legally marked for a specific use.

2. **Restricted Fund Balance:** Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a grantor.

3. **Committed Fund Balance:** Committed fund balance shall mean that portion of the fund balance that is constrained to a specific purpose by the Lea County Board of Commissioners.

4. **Assigned Fund Balance:** Assigned fund balance shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Lea County Manager or designee. Such assignment may change and may never be budgeted or may result in expenditures in future periods of time.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. **Unassigned Fund Balance:** Unassigned fund balance shall include amounts available for any legal purpose. The unassigned fund balance shall be the difference between the total fund balance and the total of the non-spendable fund balance, restricted fund balance, committed fund balance and assigned fund balance.

Lea County would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category on the government-wide statement of net position. It is the County's contributions subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period. This will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four items, of which one item, deferred property taxes, arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred property taxes, is reported only in the governmental funds balance sheet. Grants restricted by time are reported in the government-wide statement of net position and in the governmental fund’s financial statements. Net difference between projected and actual investment earnings on pension plan investments and the change of assumptions related to the pension plan are also deferred inflows. These amounts will be amortized and recognized in future years.

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. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

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

NOTE 2. CASH AND CASH EQUIVALENTS

The County utilizes pooled accounts for their funds. The general, special revenue and agency funds are all in one account and the capital projects and debt service funds are in their own accounts. Separate accounts also exist for the county clerk, probate clerk, inmate trust, and detention bond, related funds.

Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States Government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one-half of the amount on deposit with the institution. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, County or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the County. Time deposits, savings deposits and interest-bearing accounts of a public unit in an institution in the same state will be insured up to $250,000 in aggregate.

At June 30, 2020, the carrying amount of the County's unrestricted deposits were $130,068,868 excluding cash held as fiduciary of $20,973,656. Total cash and cash equivalents balance per the financial institutions of $42,024,230 consisted of demand deposits, repurchase agreements and certificates of deposit and $100,001,390 is a money market held by a brokerage firm. Of the demand deposits and certificates of deposit, $1,500,000 was covered by federal depository insurance and

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

$33,188,681 was covered by collateral held in joint safekeeping by a third party. A money market account of $100,001,390 was held at a brokerage firm and is covered by the Securities Investor Protection Corporation (SIPC) up to $500,000.

		Lea County State Bank	First American Bank	Pioneer Bank	Wells Fargo Bank	Western Commerce Bank	Total
Deposits in Bank or Savings and Loan							
Cash deposits	$	384,648	-	-	10,965,707	23,853	11,374,208
Repurchase agreements		1,866,044	-	-	10,090,708		11,956,752
CDs		9,443,270	3,000,000	2,000,000	-	4,350,000	18,793,270
Total amounts on deposit		11,693,962	3,000,000	2,000,000	21,056,415	4,373,853	42,124,230
Less: FDIC insurance		(250,000)	(250,000)	(250,000)	(500,000)	(250,000)	(1,500,000)
Total uninsured public funds		11,443,962	2,750,000	1,750,000	20,556,415	4,123,853	40,624,23
Collateral requirement – 50%		5,721,981	1,375,000	875,000	5,482,854	2,061,927	15,516,761
Collateral requirement – 102%		-	-	-	10,292,522	-	10,292,522
Total required collateralization	$	5,721,981	1,375,000	875,000	15,775,376	2,061,927	25,809,283

Total amounts on deposit at financial institutions	$	42,124,230
Less: Treasury Strip		(100,145)
Less: Repurchase		(11,956,752)
Money market held at brokerage firm		100,001,390
Total amounts on deposit	**$**	**130,068,723**

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to them. The County does not have a deposit policy for custodial credit risk. As of June 30, 2020, $8,835,404 of the County's bank balance of $42,024,085 was exposed to custodial credit risk because it was uninsured and uncollateralized with securities held by the pledging financial institution's trust department or agent. As of June 30, 2020, $100,001,390 of the County's money market held by a brokerage firm was exposed to custodial credit risk because it was uninsured and uncollateralized.

NOTE 3. INVESTMENTS

New Mexico State Statutes authorize the County to invest in direct obligations of the United States or securities that are backed by the full faith and credit of the United States Government or agencies guaranteed by the U.S. Government. The County does not have an additional investment policy that

NOTE 3. INVESTMENTS (CONTINUED)

further limits its investments. State statute also authorizes the County to invest in bonds or negotiable securities of the U. S., the State of New Mexico, or any county, municipality or school County which has a taxable valuation of real property for the last preceding year of at least one million dollars and has not

defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding. The County does not have an additional investment policy that further limits its investments. At June 30, 2020, Lea County had long-term investments with Moreton Capital Markets, and Lea County State Bank of $5,750,000 and $100,145 respectively. The $5,850,145 in investments approximates the fair value.

Custodial Credit Risk – In the case of investments, this is the risk that in the event of a market failure, the County's investments may not be returned to them. The County does not have a deposit policy for custodial credit risk. As of June 30, 2020, $5,850,145 of the County investment balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Quality Risk – State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributable to the magnitude of the County’s investment in a single issuer. A total of 99% of the investment balance is held at Moreton Capital Markets.

GASB Statement No. 72 requires investment to be presented at fair value. This statement provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

NOTE 3. INVESTMENTS (CONTINUED)

Basis of Fair Value Measurement –

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the County's assets held at fair value as of June 30, 2020:

	Investment Assets at Fair Value as of June 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Investment in				
Morton Capital	$ 5,750,000	-	-	5,750,000
Lea County State Bank	100,145	-	-	100,145
Total Assets at fair value	$ 5,850,145	-	-	5,850,145

The County utilized the market approach to value its investments. GASB Statement No. 72 defines the market approach as using market prices and other information obtained from market transactions with similar or identical assets or liabilities.

NOTE 4. PROPERTY TAXES

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments, November 10th and April 10th. The taxes become delinquent in December of the year in which the tax bill was prepared and mailed, and in May of the following year. Fund financial statements are kept on a modified accrual basis of accounting. Hence, accounting principles generally accepted in the United States of America require recognition of property taxes when they are considered both measurable and available for the fund financial statements. Therefore, the delinquent property taxes are not recorded as revenue in the fund financial statements until they become both "measurable" and "available" to finance expenditures of the fiscal period.

NOTE 4. PROPERTY TAXES (CONTINUED)

Government-wide financial statements are kept on a full accrual basis of accounting. Hence, accounting principles generally accepted in the United States of America require recognition of property taxes when the taxes are levied. The delinquent property taxes are recorded as revenue in the government-wide financial statements in the period of levy.

NOTE 5. OTHER RECEIVABLES

Other receivables at June 30, 2020 are considered to be fully collectible and are composed as follows:

		Governmental Activities
Other Receivables:		
Fees	$	85,682
Refunds		674
Interest Receivable		2,850
Misc.		14,094
Totals	$	103,303

NOTE 6. DUE FROM OTHER GOVERNMENTS

The amounts due from other governments at June 30, 2020 are considered to be fully collectible and are composed of the following:

		Governmental Activities
Gross Receipts Tax	$	2,187,727
Motor Vehicle Tax		95,080
Gas Tax		20,144
Grants Receivable		750,893
Detention Facility Fees		58,383
Totals	$	3,112,224

NOTE 7. DUE TO/FROM OTHER FUNDS AND TRANSFERS

Due to/from other funds consists of monies which were transferred between governmental funds to support the Lea County Event Center and fund activities. The County expects these amounts to be repaid.

There were no individual fund interfund receivables and payable balances at June 30, 2020.

Transfers from the General Fund to Special Revenue funds are made to support the fund's activities. Transfers of grant funds received by the General Fund are made as needed.

Transfers for the year ended June 30, 2020 were as follows:

Transfers Out:		
General Fund – 401:		
To Road Fund - 402	$	8,675,000
To Farm & Range Fund - 403		122,000
To Airport Fund - 409		200,000
To Detention Fund - 418		8,250,000
To EMPG Fund – 424		55,000
To Capital Projects Fund - 430		6,000,000
To Lea Regional Airport Fund – 454		6,000,000
To Jal Airport - 456		193,658
To Fairgrounds – 460		3,750,000
To Fair & Rodeo – 461		1,000,000
To Hispanic Heritage Night – 462		127,047
To Lea County Event Center - 463		660,000
To County Fire Fund – 618		200,000
To Fire Excise Fund – 619		100,000
Total Transfers Out		35,322,705

NOTE 7. DUE TO/FROM OTHER FUNDS AND TRANSFERS (CONTINUED)

Transfers In:		
Road Fund- 402		
From General Fund- 401		(8,675,000)
Farm & Range Fund- 403		
From General Fund		(122,000)
Airport Fund- 409		
From General Fund- 401		(200,000)
Detention Fund- 418		
From General Fund- 401		(8,250,000)
EMPG Fund – 424		
From General Fund - 401		(55,000)
Capital Projects Fund- 430		
From General Fund- 401		(6,000,000)
Lea Regional Airport Fund- 454		
From General Fund- 401		(6,000,000)
Jal Airport Fund- 456		
From General Fund- 401		(193,658)
Fairgrounds Airport - 460		
From General Fund – 401		(3,750,000)
Fair & Rodeo Fund- 461		
From General Fund- 401		(1,000,000)
Hispanic Heritage Night Fund -462		
From General Fund – 401		(127,047)
Lea County Event Center - 463		
From General Fund - 401		(660,000)
County Fire Fund- 618		
From General Fund – 401		(200,000)
Fire Excise Fund- 619		
From General Fund - 401		(100,000)
Total Transfers In		(35,322,705)
Total Governmental Activities Transfers	$	-

NOTE 8. RISK OF LOSS

The County is exposed to various risks of loss related to torts; theft of, or damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters.

Lea County Board of Commissioners is insured with OneBeacon's Insurance carrier Atlantic Specialty Insurance Company. Atlantic Specialty Insurance Company has an AM Best rating of A XI as reaffirmed August 13, 2014. Daniels Insurance Agency Inc. acts as a Broker in secure coverage for Lea County as directed through a Request for Proposal, which was awarded in June 2011. The County insures itself against losses such as General Liability, Employment Practices Liability, Public Official Liability, Law Enforcement Liability and Excess Liability limits. Those limits generally start at $1,050,000 per occurrence with a $5,000,000 excess limit. The Commissioners also insure owned assets for physical damages losses such as Property, Autos, Machinery and Equipment.

The County participates in the New Mexico County Insurance Authority Workers Compensation Pool. The pool is self-insured for workers' compensation claims up to $300,000. Above that amount, the pool maintains an Excess Employers' Reinsurance Policy.

Insurance settlements have not exceeded insurance coverage for any of the past five fiscal years.

NOTE 9. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds.

NOTE 10. CHANGES IN CAPITAL ASSETS

	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital Assets, not depreciated:					
Land	$ 9,519,443	-	-	-	9,519,443
Construction in progress	43,997,421	13,751,478	-	(2,324,512)	55,424,387
Total not depreciated	53,516,864	13,751,478	-	(2,324,512)	64,943,830
Capital Assets, depreciated:					
Buildings	83,179,784	150,776	(11,301)	881,910	84,201,169
Other Improvements	8,234,624	-	(153,140)	-	8,081,484
Furniture and Equipment	18,617,293	1,641,646	(473,153)	92,832	19,878,618
Infrastructure	113,713,642	6,128,651	(142,231)	1,349,770	121,049,833
Vehicles	14,430,730	2,544,570	(358,405)	-	16,616,894
Total depreciated	238,176,073	10,465,643	(1,138,230)	2,324,512	249,827,998
Total Capital Assets	291,692,933	24,194,776	(1,138,230)	-	314,771,824
Accumulated Depreciation:					
Buildings	31,393,360	2,563,687	(4,848)	-	33,952,199
Other Improvements	2,810,278	303,334	(137,826)	-	2,975,786
Furniture and Equipment	14,086,506	913,815	(423,225)	-	14,577,096
Infrastructure	22,920,959	3,418,879	(101,268)	-	26,238,570
Vehicles	8,669,330	1,430,477	(322,564)	-	9,777,243
Total depreciation	79,880,433	8,630,192	(989,731)	-	87,520,894
Total Capital Assets	$ 211,812,499	15,564,584	(148,499)	-	227,250,929

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

General Government	$ 3,692,702
Public Works	3,426,203
Public Safety	1,493,106
Total depreciation expense: governmental activities	$ 8,630,192

NOTE 10. CHANGES IN CAPITAL ASSETS (CONTINUED)

		Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets Used in Business-type Activities:					
Capital Assets, not depreciated:					
Land	$	575,000	-	-	575,000
Construction in progress		2,348,009	-	-	2,348,009
Total not depreciated	$	2,923,009	-	-	2,923,009

In accordance with GASB 34, depreciation policies were adopted to include useful lives and classification by function.

NOTE 11. LONG-TERM DEBT

Revenue Bonds

Bonds outstanding at June 30, 2020 consist of the following issue:

Gross Receipts Tax Revenue Bonds

Series:	June 30, 2013
Original Issue:	$10,000,000
Principal:	June 1
Interest:	June 1
Rate:	2.140%

On March 28, 2013, the County obtained the Gross Receipts Tax Bonds, Series 2013. The bonds are special and limited obligations of the County and are secured by and payable solely from the pledged gross receipts tax revenue. The Bond agreement requires the maintenance of a gross receipt tax debt service fund into which the County covenants to pay from the pledged revenues sums sufficient to pay when due the principal and interest on these bonds. At June 30, 2020, the County had $0 in the gross receipts tax debt service fund. The County is in compliance with all significant requirements of the bonds' covenants.

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

		June 30, 2019	Additions	Deletions	June 30, 2020	Due Within One Year
Gross receipts Revenue Bonds Series: June 30, 2013	$	4,875,000	-	(4,875,000)	-	-
Compensated Absences		889,552	975,478	(866,536)	998,494	249,623
Total Long-Term Debt	$	5,764,552	975,478	(5,741,536)	998,494	249,623

NOTE 11. LONG-TERM DEBT (CONTINUED)

The County paid interest on long-term debt of $55,350 during fiscal year 2020.

Compensated Absence: Employees of the County are able to accrue a limited amount of vacation during the year. The compensated absences liability increased $108,942 from the prior year. The General Fund is typically used for liquidation of compensated absences.

NOTE 12. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan description. The 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/Audit 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 PERA fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA), 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 PERA Fund, unless specifically excluded.

Benefits provided. Benefits are generally available at age 65 with five or 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 larges average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

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

NOTE 12. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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 contributions increased 1.5 percent 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. See PERA's compressive annual financial report for contribution provided description.

PERA Contribution Rates and Pension Factors as of July 1, 2019 (first full pay period)						
	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
Coverage Plan	Annual Salary less than $20,000	Annual Salary greater than $20,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	8.92%	17.24%	3.0%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.0%	8.5%	7.65%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.8%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.8%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.3%	3.0%	2.5%	90%
MUNICIPAL POLICE PLANS 1 – 5						
Municipal Police Plan 1	7.0%	8.5%	10.65%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.65%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	19.15%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	19.15%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	19.15%	3.5%	3.0%	90%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.0%	9.5%	11.65%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	18.15%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.90%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.90%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.90%	3.5%	3.0%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	17.24%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.37%	3.0%	3.0%	90%

NOTE 12. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the County reported a liability of $37,120,253 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2019 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2019. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2019. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

PERA Fund Municipal General Division. At June 30, 2019, the County's proportion was 0.133810%, which was an increase of 0.0375%, from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of $5,145,323. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	694,495	250,581
Changes in assumptions		1,032,864	57,052
Net difference between projected and actual earnings on pension plan investments		780,558	-
Changes in proportion and differences between County's contributions and proportionate share of contributions		770,399	69,046
County's contributions subsequent to the measurement date		1,208,417	-
Total	$	4,486,733	376,679

NOTE 12. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

$1,208,417 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2021	$	1,459,369
2022		830,094
2023		483,752
2024		128,422
2025		-
Thereafter		-

PERA Fund Municipal Police Division. At June 30, 2019, the County's proportion was 1.8894%, which was an increase of 0.19190%, from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of $3,175,498. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	583,059	594,520
Changes in assumptions		791,643	35,508
Net difference between projected and actual earnings on pension plan investments		435,817	-
Changes in proportion and differences between County's contributions and proportionate share of contributions		1,335,977	-
County's contributions subsequent to the measurement date		966,405	-
Total	$	**4,112,901**	**630,028**

NOTE 12. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

$966,405 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2021	$	986,535
2022		974,582
2023		483,826
2024		71,525
2025		-
Thereafter		-

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

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Amortization period	Level Percentage of Pay
Asset valuation method	Solved for based on statutory rates
Actuarial assumptions	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75% all other years
Mortality assumption	The mortality assumptions are based on the RPD-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 20, 2018 (economic)

NOTE 12. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	42.33%	7.48%
Risk Reduction & Mitigation	21.37%	2.37%
Credit Oriented Fixed Income	15.0%	5.47%
Real Assets	20.0%	6.48%
Multi-Risk Allocation	1.30%	
Total	100.0%	

Discount rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2019. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

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

NOTE 12. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

Municipal General Division		**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
County's proportionate share of the net pension liability	$	35,033,914	23,163,842	13,342,948

Municipal Police Division		**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
County's proportionate share of the net pension liability	$	21,120,484	13,956,411	8,111,878

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

Payables to the pension plan: At June 30, 2020 the County had no outstanding contributions to the pension plan and therefore, had no payables reported as of June 30, 2020.

NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description - Employees for 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 Statues 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, 2019, the Fund's measurement date, the following employees were covered by the benefit terms:

NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)

Plan membership	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefit	10,916
Current active members	91,082
	154,177
Active membership	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal fire	1,966
Educational Retirement Board	49,492
	91,082

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 statue 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 $524,206 for the year ended June 30, 2020.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2020, the County reported a liability of $13,129,405 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The County's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2019. At June 30, 2019, the County's proportion was 0.40493 percent.

For the year ended June 30, 2020, the County recognized OPEB income of $497,767. At June 30, 2020 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	3,304,025
Changes in assumptions	-	4,237,537
Changes in proportion	2,321,738	-
Net difference between projected and actual earnings on OPEB plan investments	-	122,071
Employer contributions subsequent to the measurement date	524,206	-
Total	$ **2,845,944**	**7,663,633**

Deferred outflows of resources totaling $524,206 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	$ (1,567,211)
2022	(1,567,211)
2023	(1,303,949)
2024	(611,211)
2025	(292,313)
Total	$ (5,341,895)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions:

Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Inflation	2.50% for ERB members; 2.25% for PERA members

NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)

Projected payroll increases	3.25% to 13.50%, based on years of service, including inflation
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
Mortality	ERB member: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females). PERA members: RP-2000 Combined Healthy Mortality.

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:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	2.1%
U.S. equity – large cap	7.1
Non U.S. – emerging markets	10.2
Non U.S. – developed equities	7.8
Private equity	11.8
Credit and structured finance	5.3
Real estate	4.9
Absolute return	4.1
U.S. equity – small/mid cap	7.1

Discount Rate – The discount rate used to measure the Fund's total OPEB liability is 4.16% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the

NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)

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, 2039. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2039, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used, resulting in a blended discount rate of 4.16%.

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 (3.16 percent) or 1-percentage-pont higher (5.16 percent) than the current discount rate:

1% Decrease (3.16%)	Current Discount Rate (4.16%)	1% Increase (5.16%)
$ 16,060,426	13,129,405	10,825,346

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

1% Decrease	Current Trend Rates	1% Increase
$ 10,931,076	13,129,405	14,889,478

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, 2019.

Payables changes in the net OPEB liability. At June 30, 2020, the County did not accrue any payables for OPEB.

NOTE 14. DEFERRED COMPENSATION PLAN

The State of New Mexico offers state, local government and school County employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees and those local government and school County employees whose employers have elected participation in the plan, permits participants to defer a portion of their salary until future years.

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 14. DEFERRED COMPENSATION PLAN (CONTINUED)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the participants in the plan.

There are employees that are making contributions to the Deferred Compensation Plan. Neither the County nor the State of New Mexico made any contributions to the Deferred Compensation Plan. All contributions withheld from participant's wages by the County have been paid to the New Mexico Employees' Retirement Association, which administers the plan.

NOTE 15. CONTINGENT LIABILITIES

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

Economic Development Agreement – Lea County entered into an economic development agreement dated October 19, 2010, with the Economic Development Corporation of Lea County, Inc. (EDC) to unconditionally guaranty on behalf of EDC any and all amounts that EDC may be required to pay to the Air Carrier pursuant to the revenue guaranty or other provisions of the Air Services Contract, and subject to the limitation that the first $250,000 due to Air Carrier under revenue guarantee provisions during the first twelve month period of Air Service shall not be guaranteed by the County.

The County has provided EDC with an irrevocable standby letter of credit for $900,000 as guaranty for performance of this agreement and stand by letter of credit will remain in effect for the term of the Air Services Contract. No amounts were charged against the letter of credit during fiscal year 2020.

Lea County contributed $470,845 to EDC under the above described agreement for the fiscal year ended June 30, 2020.

NOTE 16. CONDUIT DEBT OBLIGATION

The County Issued Industrial Revenue Bonds (IRBs) totaling $4,111,000,000 for projects as follows:

LES – the County issued $4,000,000,000 in IRBs to provide funds to finance the acquisition, construction and installation of an expansion to the national enrichment facility project. Final maturity date of the bonds is January 22, 2034. The bonds are secured by a security agreement and a collateral pledge of the Lease to the Purchaser.

Intrepid Potash-New Mexico LLC – the County issued $40,000,000 in IRBs to provide funds to finance the acquisition and construction of an industrial revenue bond manufacturing and processing facility to be used by Intrepid Potash-New Mexico. Final maturity date of the bonds is February 1, 2032. The

NOTE 16. CONDUIT DEBT OBLIGATION (CONTINUED)

bonds are secured by all tangible personal property located in Lea County, New Mexico used in connection with manufacturing and processing of potash including but not necessarily limited to all the costs of which are financed or reimbursed with the proceeds of the Lea County, New Mexico, Taxable Industrial Revenue Bond.

Wildcat Wind LLC - the County issued $51,000,000 in IRBs in connection with a Wind Energy Generating Facility. Final maturity date of the bonds is March 1, 2032. The bonds are secured by all tangible personal property located in Lea County, New Mexico used in connection with wind generation of electricity but not necessarily limited to all personal property installed or located at the Project Site for use as part of the Project.

Jut Demonstration Inc. - the County issued $20,000,000 in IRBs to provide funds to finance the acquisition, construction and installation of an industrial development project. Final maturity date of the bonds is March 20, 2032. The bonds are secured by all the Debtor's right, title and interest in and to the Project Property and the Lease and Purchase Agreement.

The County has no liability for the IRBs in the event of default by the borrowers. Accordingly, the bonds are not reported as liabilities in the County's financial statements.

NOTE 17. TAX ABATEMENTS

The County enters into property tax abatement agreements with local businesses under the County Industrial Revenue Bond Act, Chapter 4, Article 59 NMSA 1978 as amended and Article VIII, Section 3 of the State Constitution and NMSA 1978, Section 7-36-3. The County Industrial Revenue Bond Act authorizes counties to acquire, own, lease or sell projects for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the state.

For the fiscal year ended June 30, 2020, the County abated property taxes under the County Industrial Revenue Bond Act including the following tax abatement agreements:

DCP Midstream, LP was granted an 80% Ad Valorem Property Tax Exemption, to construct facilities to process natural gas. The amount of the exemption will be an 80% reduction off the tax due that would have been applicable for each tax year. The abatement of property taxes for fiscal year 2020 was $277,839 with a $581,558 PILT due to the County. Lea County is the only entity that is foregoing revenue under this agreement.

Wildcat Wind LLC was granted a 30% Ad Valorem Property Tax Exemption, to construct wind power generating facilities. The amount of the exemption will be a 30% reduction off the tax due that would have been applicable for each tax year. The abatement of property taxes for fiscal year 2020 was $154,595 with a $267,723 PILT due to the County. Lea County is the only entity that is foregoing revenue under this agreement.

NOTE 17. TAX ABATEMENTS (CONTINUED)

Sun Edison was granted a 33.3% Ad Valorem Property Tax Exemption, to construct facilities to generate electric power. The amount of the exemption will be a 33.3% reduction off the tax due that would have been applicable for each tax year. The abatement of property taxes for fiscal year 2020 was $31,800 with a $202,956 PILT due to the County. Lea County is the only entity that is foregoing revenue under this agreement.

Middle Daisy was granted a 100% Ad Valorem Property Tax Exemption, to construct a solar panel plant. The amount of the exemption will be a 100% reduction off the tax due that would have been applicable for each tax year. The abatement of property taxes for fiscal year 2020 was $23,197 with a $40173 PILT due to the County. Lea County is the only entity that is foregoing revenue under this agreement.

AEM Wind, LLC was granted a PILT in an amount equal to 30% of the total property tax due, to construct wind power generating facilities. The amount of the exemption will be a 30% reduction off the tax due that would have been applicable for each tax year. The abatement of property taxes for fiscal year 2020 was $82,902 with a $431,931 PILT due to the County. Lea County is the only entity that is foregoing revenue under this agreement.

NOTE 18. JOINT POWERS AGREEMENTS

The County entered into a joint powers agreement with all municipalities in Lea County for the Lea County Water Users Association (Association) on September 23, 1997. The agreement automatically renews for an additional two years unless terminated by the Executive Board. The purpose of the agreement is to enact a water management plan for the citizens of Lea County. The County is designated the fiscal agent of the Association and is responsible for 45.8% of the proposed funding needed for the Association. The County did not remit any funds to the Association in the fiscal year ended June 30, 2020.

The County along with the City of Hobbs formed a joint powers agreement regarding the cleanup and Land Office. The purpose of the agreement is to allocate financial responsibility of the costs to be incurred in connection with cleanup. The County's responsibility is to contract with the Lea County Solid Waste Authority, as necessary, for the services of hauling trash and debris.

Costs involved in the project are to be allocated, with the County responsible for paying 25%. The County must also invoice the party responsible for the illegal disposal, Occidental/Permian Limited Partnership ("Oxy"), for another 25% of the disposal costs. Expenditures for the County are not to exceed $15,000 without prior written consent of all parties involved. The agreement became effective November 17, 2003, and either party to the agreement can terminate participation by providing thirty days written notice.

NOTE 18. JOINT POWERS AGREEMENTS (CONTINUED)

The County also established a joint powers agreement with the Hobbs Municipal School County, City of Hobbs, New Mexico Junior College, City of Lovington, Eunice Municipal School County, Tatum Municipal School County and Jal Municipal School County for the purpose of enabling the parties involved to benefit from substantial savings in the procurement of similar services, construction or tangible personal property. The agreement became effective November 17, 2003, and any party to the agreement can terminate participation by providing thirty days written notice. Any of the participating agencies may act as the Lead Agency whereby that agency shall contact the remaining participating agencies to determine if they are willing to participate in a bid or proposal for quote to be prepared by the Lead Agency.

On July 25, 2006, the County entered into a joint power's agreement with the Southeastern New Mexico Economic Development County/COG. The purpose of the agreement is to facilitate economic development in the region through planning, development, legislative, and strategizing services. The agreement is indefinite in term.

The County established a joint powers agreement with the Eddy-Lea Energy Alliance on July 29, 2006. The goal of this agreement is to evaluate a site for use by the Global Nuclear Energy Partnership and the United States Department of Energy. This is hoped to bring new, higher-wage jobs to the area and strengthen the economic base of the region. The agreement is perpetual but may be terminated with the written consent of all voting members. The agreement shall terminate at the discretion of the contracting parties.

The County established a joint powers agreement with the City of Hobbs on January 4, 2010 to further the public interest and protect the safety, health and welfare of the people of Hobbs, New Mexico and Lea County, New Mexico and to define the role of the City and County in establishing a joint Emergency Communications Center, namely, the joint management and operations of an emergency communications County.

On May 30, 2013, the County established a joint planning agreement with the Commissioner of Public Lands of the State of New Mexico to explore opportunities to jointly plan or master plan state trust lands within the County boundaries but outside of any extra zoning jurisdiction in the County. Planning objectives and prioritization of planning efforts will be identified by a joint planning committee appointed by the Commissioner and the County. The right to terminate this agreement resides with the County and the Commissioner.

On April 28, 2016, the County established a joint powers agreement with the Lea County Communication Authority, City of Hobbs, City of Lovington, City of Jal, City of Eunice, and the City of Tatum to operate and maintain a P25 800 MHz radio system to more effectively and efficiently provide radio and communication services. The agreement will remain in effect, subject to written amendments, until terminated by a party.

NOTE 19. RECENT ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* was issued May 2020 and is effective immediately. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018 and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

GASB Statement No. 83, *Certain Asset Retirement Obligations*

GASB Statement No. 84, *Fiduciary Activities*

GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

GASB Statement 90, *Majority Equity Interests*

GASB Statement 91, *Conduit Debt Obligations*

GASB Statement 92, *Omnibus 2020*

GASB Statement 93, *Replacement of Interbank Offered Rates*

The effective date of GASB Statement No. 87, *Leases,* is postponed by 18 months.

NOTE 20. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2020.

GASB Statement No. 84, *Fiduciary Assets*

GASB Statement No. 87, *Leases*

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.

GASB Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61.

NOTE 20. NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 91, Conduit Debt Obligations.

GASB Statement No. 92, Omnibus 2020

GASB Statement No. 93, Replacement of Interbank Offered Rates

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

GASB Statement No. 95, Subscription-Based Information Technology Arrangements

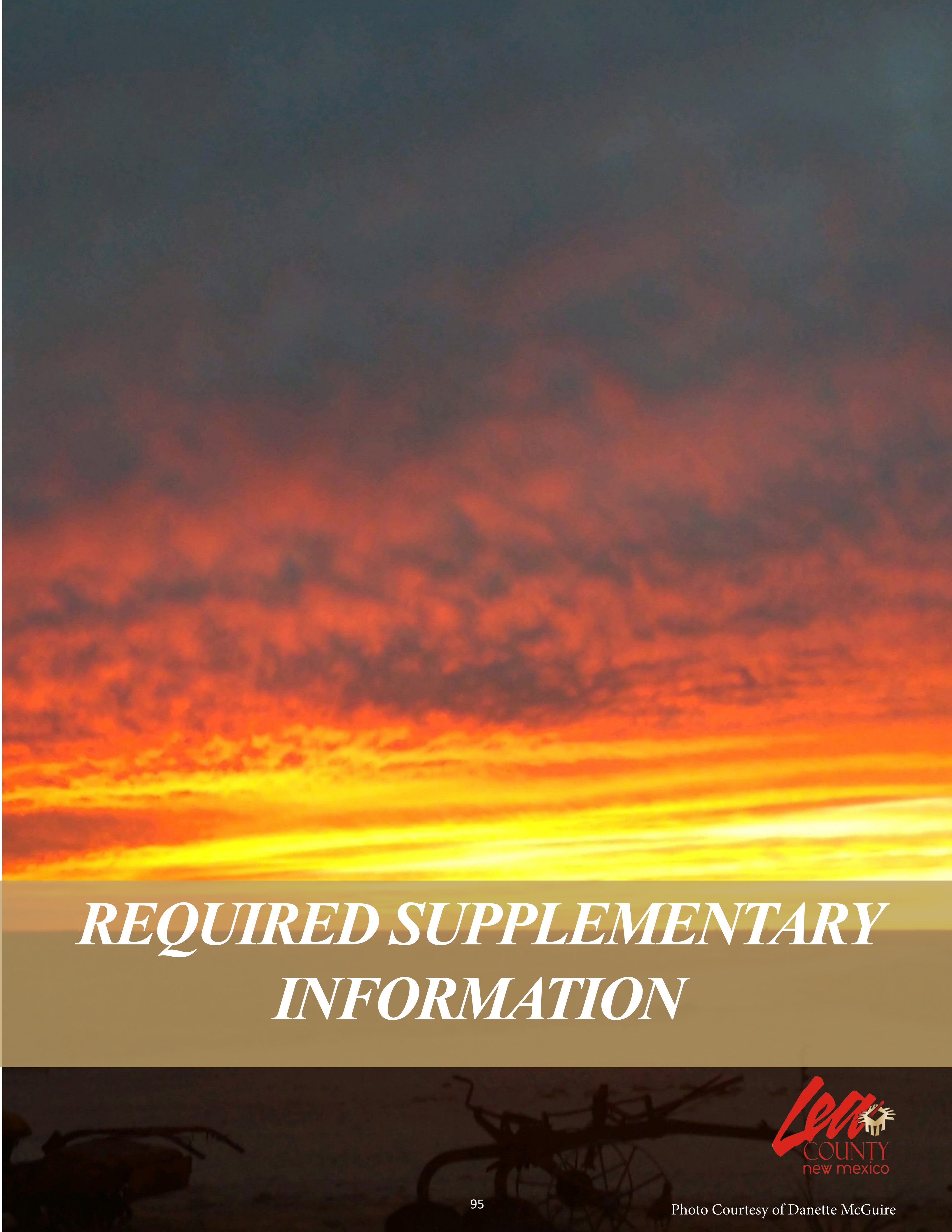
The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The County believes that the above listed new GASB pronouncements will not have a significant financial impact to the County or in issuing its financial statements.

NOTE 21. SUBSEQUENT EVENTS

The entity has evaluated subsequent events through November 30, 2020, the date which the financial statements were available to be issued. As of the report date, November 30, 2020, no subsequent events were identified by management.

NOTE 22 – COVID-19

In early March 2020, the COVID-19 virus was declared a global pandemic, and it continues to cause market fluctuations. Business continuity and financial markets, including supply chains and consumer demand across a broad range of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time.



REQUIRED SUPPLEMENTARY INFORMATION

Photo Courtesy of Danette McGuire

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF THE COUNTY'S PROPORATIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2020

Pension Liability
For Last 10 Fiscal Years*
(Dollars in Thousands)

		30-Jun				
Fiscal Year		2019	2018	2017	2016	2015
Measurement Date		2018	2017	2016	2015	2014
County's Proportion of the Net Pension Liability (Asset)		3.00%	3.00%	2.79%	2.77%	2.56%
County's Proportionate Share of Net Pension Liability (Asset)	$	37,120	32,318	25,634	31,279	18,881
County's Covered-Employee Payroll	$	17,392	15,100	15,259	14,613	13,436
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		213.43%	214.03%	167.99%	214.05%	140.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		70.52%	71.13%	73.74%	69.18%	76.99%

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

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF COUNTY CONTRIBUTIONS
JUNE 30, 2020

Last Ten Fiscal Years*
General Division
(Dollars in Thousands)

	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,076	1,115	1,679	2,319	1,456
Contributions in Relation to the Contractually Required Contribution	1,676	1,736	1,679	2,319	1,456
Contribution Deficiency (Excess)*	$ (600)	(621)	-	-	-

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

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF COUNTY CONTRIBUTIONS
JUNE 30, 2020

Last Ten Fiscal Years*
Police Dision
(Dollars in Thousands)

		2019	2018	2017	2016	2015
Contractually Required Contribution	$	725	678	795	1,609	957
Contributions in Relation to the Contractually Required Contribution		918	859	795	1,609	957
Contribution Deficiency (Excess)*	$	(193)	(181)	-	-	-

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

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
June 30, 2020

New Mexico Retiree Health Care Authority
For Last 10 Fiscal Years*
(Dollars in Thousands)

		30-Jun	
	Fiscal Year	**2019**	**2018**
	Measurement Date	**2018**	**2017**
County's Proportion of the Net OPEB liability (Asset)		0.40493%	3.56570%
County's Proportionate Share of Net OPEB Liability (Asset)	$	13,129,405	15,049,299
County's Covered-Employee Payroll	$	16,897,440	15,299,052
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Its Covered-Employee Payroll		77.70%	98.37%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		18.92%	13.14%

*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 available years.

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF COUNTY CONTRIBUTIONS
June 30, 2020

New Mexico Retiree Health Care Authority
Last Ten Fiscal Years*
(Dollar Amounts in Thousands)

		2019	2018
Contractually Required Contribution	$	557,200	1,119,575
Contributions in Relation to the Contractually Required Contribution		550,397	561,902
Contribution Deficiency (Excess)	$	6,803	557,673
Employer's covered-employee payroll	$	15,299,052	14,686,823
Contributions as a percentage of covered-employee payroll		3.60%	3.80%

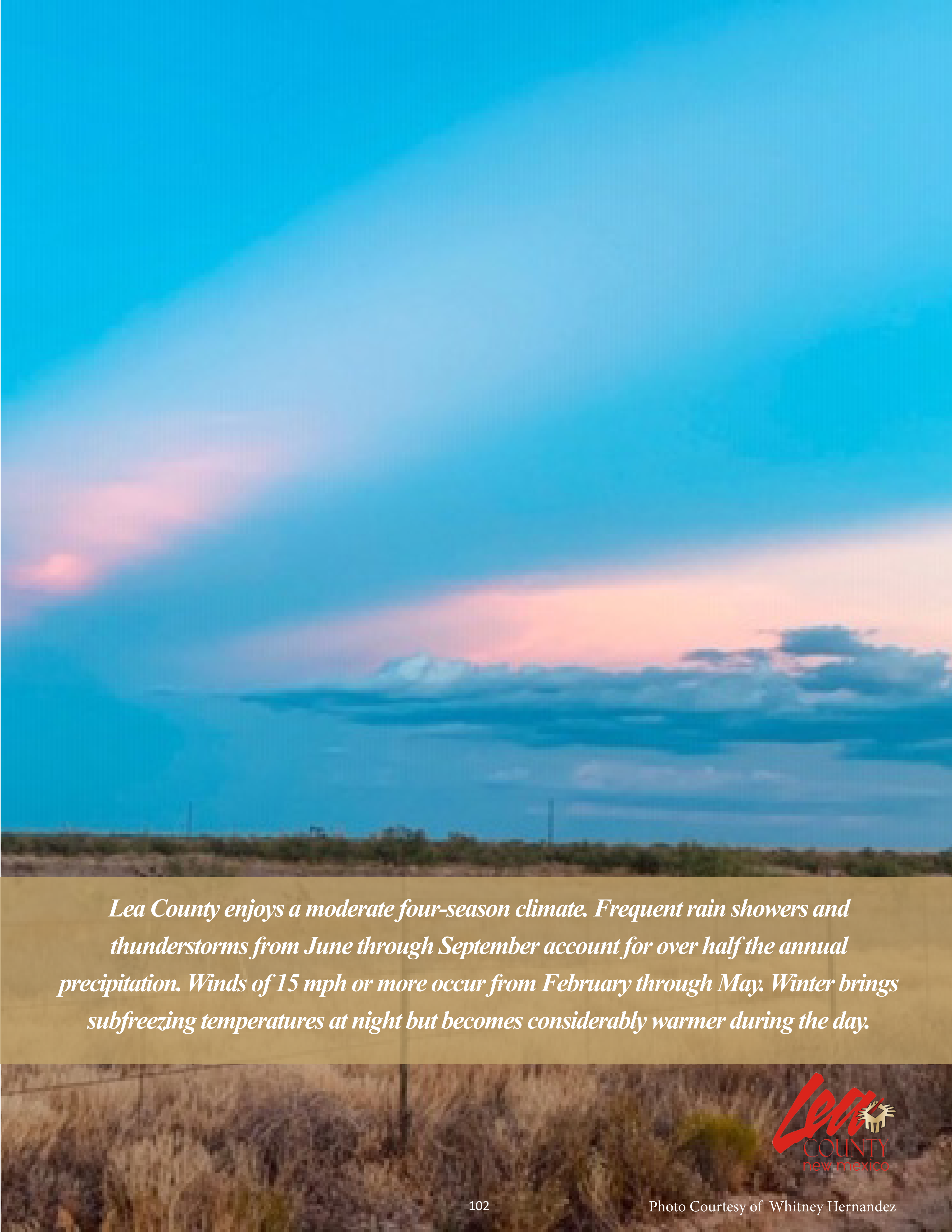
*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for available years.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

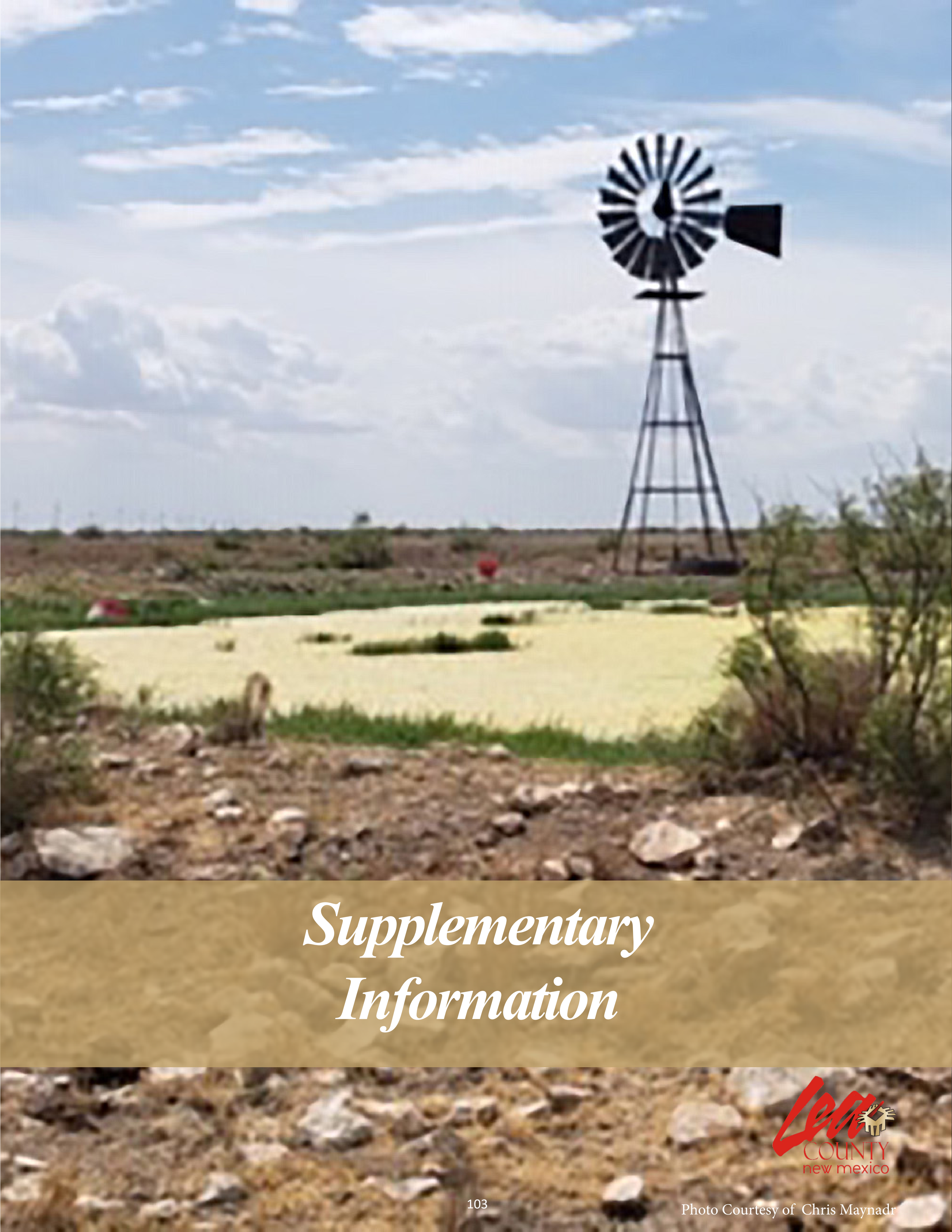
Assumptions: The Public Employ Retirement Association of New Mexico Annual Actuarial Valuations as of June 30, 2019 report is available at http://www.nmpera.org/

Retiree Health Care Authority (RHCA). In the June 30, 2019 actuarial valuation, changes in assumptions and differences between expected and actual experience include adjustments resulting from an increase in the discount rate from 4.08% to 4.16%, decrease in expected participation rates for future retirees from 75% to 60%, and a decrease in the spousal coverage rate for future male retirees from 55% to 35%.



Lea County enjoys a moderate four-season climate. Frequent rain showers and thunderstorms from June through September account for over half the annual precipitation. Winds of 15 mph or more occur from February through May. Winter brings subfreezing temperatures at night but becomes considerably warmer during the day.

Photo Courtesy of Whitney Hernandez



Supplementary Information

Photo Courtesy of Chris Maynadr

The County has budgeted $2,140,000 in direct funding service agreements with local economic development agiencies to further grow Lea County's economic base and to create more jobs. Lea County maintains a competitive advantage over nearly all jurisdictions in the State of New Mexico with low property taxes.

Lea County new mexico

Photo Courtesy of Samantha Langston

Nonmajor Governmental Funds

Photo Courtesy of Priscilla Jimenez

The Lea County Fair & Rodeo was named the outstanding event for 2019 by the New Mexico Hospitality Association. The award is given annually to honor events that improve tourism and quality of life in New Mexico.

Photo Courtesy of Samantha Langston

Special Revenue Funds

Photo Courtesy of Samantha Langston

STATE OF NEW MEXICO
LEA COUNTY
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
JUNE 30, 2020

SPECIAL REVENUE FUNDS

Farm and Range Fund (403) - To account for funds collected under the Taylor Grazing Act for the control of animals specified in Section 6-11-6 NMSA 1978.

Community Centers (404) - To account for revenues from cigarette tax restricted for the maintenance of County parks as specified in Section 7-12-15 NMSA 1978.

Clerk's Recording & Filing (405) - To account for equipment recording fees that shall be expensed for rent, purchase lease, or lease-purchase equipment associated with recording, filing, maintaining or reproducing documents in the County Clerk's office. The fund is authorized by Section 14-8-12.2, NMSA 1978.

The Indigent Fund (406) - is used to account for the payment of indigent hospital costs. Financing is provided by gross receipts tax and is restricted to indigent claims as authorized by Section 27-5-5, NMSA 1978 and County policy.

Maljamar Fire Department (407) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Knowles Fire Department (408) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Airport Fire Department (409) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Monument Fire Department (410) - To account for the operations of the County's fire departments. Financing is provided by the State Fire Protection Fund and is restricted to fire protection use as authorized by Section A-53-4, NMSA 1978.

Environmental Gross Receipts Tax (411) - To account for revenues provided by one-eighth of one percent of County environmental services gross receipts tax imposed by County Ordinance #59.

DWI Grant (412) – To account for funds received from the state of New Mexico to be spent on the DWI program. The fund is authorized by Sections 11-6A-1 through 11-6A-6, NMSA 1978.

Correction Fees (415) – To account for funds from the state of New Mexico that are restricted to providing care for prisoners in the County detention facility. The fund is authorized by Section 33-3-5, NMSA 1978.

SPECIAL REVENUE FUNDS (CONTINUED)

Paving Countys (416) – To account for funds expended in engineering and construction of pavement on Piedras Drive, Baggett Drive and Sandcastle Subdivision. The County chose the Petition Method 4-55A-3(2) to create the County. The fund was authorized by Section 4-55A-1 to 4-55A-43, NMSA 1978.

Revolving Loan Fund (421) - To account for the loan funds received under the 1986 Community Development Block Grant Program (CDBG) #86-C-NR-I-04-GA-091.

EMPG Reimbursement (424) – To account for salary reimbursement for the 2015 Emergency Management Performance Grant Program issued by the NM Department of Homeland Security and Emergency Management. The grant was used to support activities essential to the ability of states, territories, and urban areas to prepare for, prevent and respond to terrorist attacks and other all-hazards events. 2015 Federal Grant No. EMW-2015-EP-00066-S01 CDFA No. 97.042.

Tire Recycling (426) – To account for the 2015-2016 Recycling and Illegal Dumping Grant expenditures awarded from the State of New Mexico Environment Department. Fund was awarded to reimburse Lea County for development costs to establish a recycling facility for used motor oil. Grant # 16NT-03.

Other Grants (431) -To account for grants and grant expenditures that are subject to tracking requirements and authorized by various grant agreements.

Jal CDBG Wastewater (433) - To account for revenues and expenditures under the Community Block Development Grant #86-C-NR-1-04-GA-091.

Lea Region Airport (454) - is used to account for revenues and expenses related to the operation of the Lea County Region Airport as per 49 CFR Section 18 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

County Airport Fund (455) - is used to account for revenues and expenses related to the operation of the County Airports as per 49 CFR Section 18 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

Event Center (463) – Special revenue fund established by resolution to account for revenues and expenses related to the operation of the Event Center.

Property Valuation Fund (499) – To account for revenues provided by 2 percent of the property taxes received by the County to be used for appraisal programs presented by the County Assessor and approved by the majority of the County Commissioners. The fund is authorized by Section 7-38-38.1 NMSA 1978.

SPECIAL REVENUE FUNDS (CONTINUED)

EMS Knowles (604) - To account for funds received from the state of New Mexico to be spent on emergency medical services equipment and operations for the Emergency Medical Services Departments as authorized by 24A-1.

Law Enforcement Protection Grant (605) - To account for the state funds received for law enforcement training and equipment as specified in Section 29-13-1, NMSA 1978.

Lea County Drug Task Force (HIDTA) (609) - Special revenue fund established by resolution to account for revenues and expenditures related to education and local enforcement of the drug program. This program is financed with federal grants aiming to ameliorate High Intensity Drug Trafficking Areas.

EMS Maljamar (613) - To account for funds received from the state of New Mexico to be spent on emergency medical services equipment and operations for the Emergency Medical Services Departments as authorized by 24A-1.

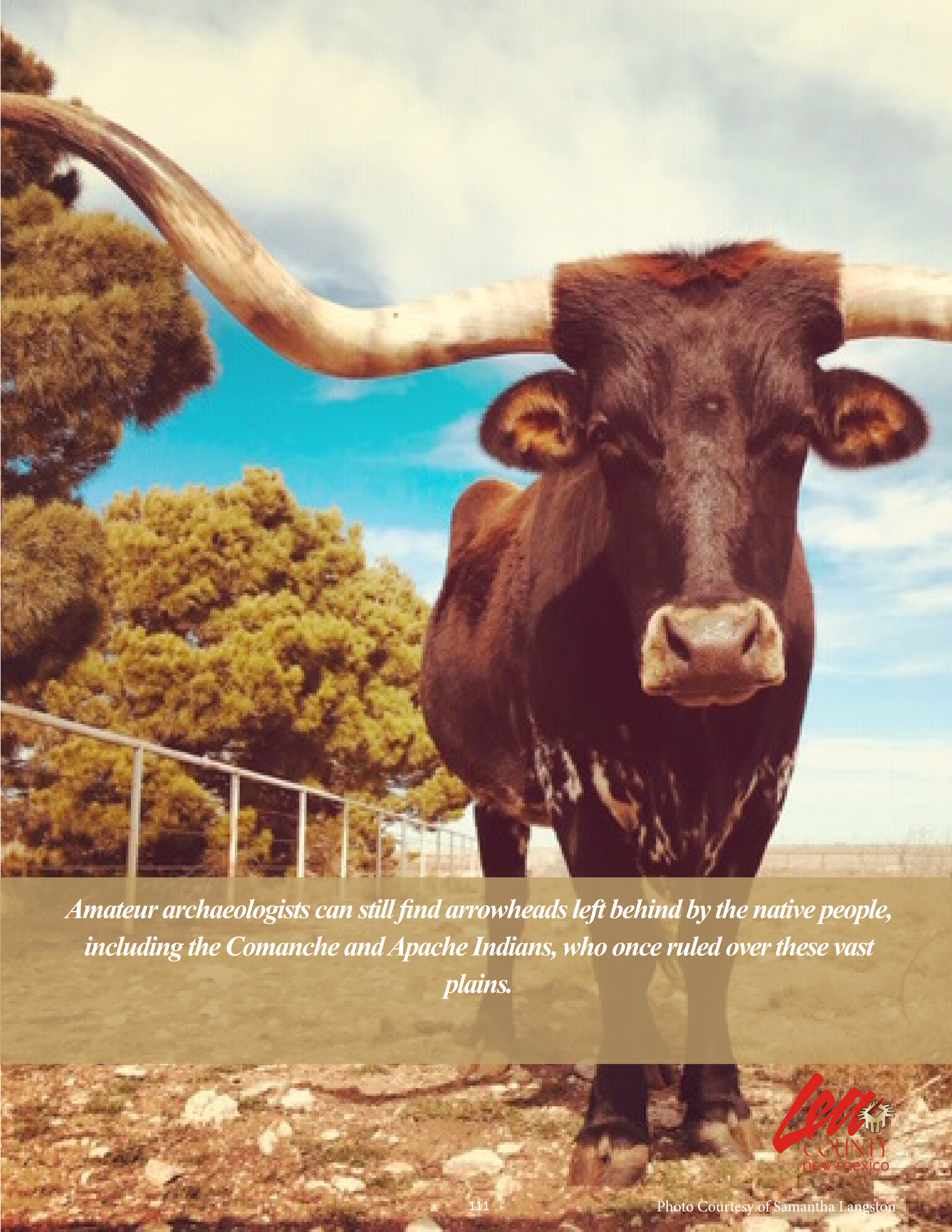
County Fire Marshall (618) - To account for the revenue and expenses of the Office of the County Fire Marshal established per Lea County Resolution 11-JUN026R and funded by the New Mexico State Fire Marshal's Office.

Fire Excise Tax (619) - To account for revenues provided by the imposition of an excise tax to one-fourth of one percent of gross receipts of businesses doing business in the County. The excise tax was approved by the electorate of the County on July 12, 1990, with the tax effective January 1, 1991. The funds are to be used to finance capital outlay costs of Lea County's independent fire Countys. This fund is authorized by Sections 7-20E, NMSA 1978.

EMS Monument (621) - To account for funds received from the state of New Mexico to be spent on emergency medical services equipment and operations for the Emergency Medical Services Departments as authorized by 24A-1.

DEBT SERVICE FUND

Gross Receipts Debt Service (658) – To account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources provided by gross receipts tax revenue bonds.



Amateur archaeologists can still find arrowheads left behind by the native people, including the Comanche and Apache Indians, who once ruled over these vast plains.

Photo Courtesy of Samantha Langston

STATE OF NEW MEXICO
LEA COUNTY
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2020

ASSETS		Farm and Range 403	Community Centers 404	Clerk's Recording & Filing 405
Current assets:				
Cash and cash equivalents	$	51,839	21,438	121,209
Investments		-	-	-
Receivables				
Receivable from other governments		-	-	-
Other receivables		-	-	8,785
Total current assets	$	51,839	21,438	129,994
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Current liabilities:				
Accounts payable	$	-	987	669
Accrued payroll liabilities		-	-	-
Total current liabilities		-	987	669
Deferred inflows:				
Unavailable revenue		-	-	-
Total deferred inflows		-	-	-
Fund balances (deficit)				
Nonspendable		-	-	-
Restricted		51,839	20,451	129,325
Unassigned		-	-	-
Total fund balance (deficit)		51,839	20,451	129,325
Total liabilities, deferred inflows, and fund balance (deficit)	$	51,839	21,438	129,994

Indigent Fund 406	Malijmar Fire District 407	Knowles Fire District 408	Airport Fire 409	Monument Fire District 410
105,250	191,503	113,049	19,446	102,863
-	-	-	-	-
482,427	-	-	-	-
-	-	-	-	-
587,677	191,503	113,049	19,446	102,863
80	734	1,457	1,314	2,655
-	-	-	1,030	-
80	734	1,457	2,344	2,655
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
587,597	190,769	111,592	17,102	100,208
-	-	-	-	-
587,597	190,769	111,592	17,102	100,208
587,677	191,503	113,049	19,446	102,863

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2020

ASSETS		Enviromental Gross Receipts Tax 411	DWI 412	Correction Fees 415
Current assets:				
Cash and cash equivalents	$	7,815,924	389,393	797,711
Investments		-	-	-
Receivables				
Receivable from other governments		238,404	58,491	37,352
Other receivables		-	0	-
Total current assets		8,054,328	447,884	835,063
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Current liabilities:				
Accounts payable		85,784	79,531	11,867
Accrued payroll liabilities		9,786	12,039	-
Total current liabilities		95,570	91,570	11,867
Deferred inflows:				
Unavailable revenue		-	-	-
Total deferred inflows		-	-	-
Fund balances (deficit)				
Nonspendable		-	-	-
Restricted		7,958,758	356,314	823,196
Unassigned		-		-
Total fund balance (deficit)		7,958,758	356,314	823,196
Total liabilities, deferred inflows, and fund balance (deficit)	$	8,054,328	447,884	835,063

Paving Districts 416	Revolving Loan Fund 421	EMPG Reimbursement 424	Tire Recycling 426	Other Grants 431
2,538	960	52,066	1,800	225,592
-	100,145	-	-	-
-	-	-	-	26,677
-	-	-	-	-
2,538	101,105	52,066	1,800	252,269
-	-	-	-	68
-	-	765	-	-
-	-	765	-	68
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,538	101,105	51,301	1,800	252,201
-	-	-	-	-
2,538	101,105	51,301	1,800	252,201
2,538	101,105	52,066	1,800	252,269

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2020

ASSETS		Jal CDBG Wastewater 433	County Airports 455	Lea County Event Center 463
Current assets:				
Cash and cash equivalents	$	21,882	56,236	97,431
Investments		-	-	-
Receivables				
Receivable from other governments		-	-	-
Other receivables		-	-	-
Total current assets	$	21,882	56,236	97,431
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Current liabilities:				
Accounts payable	$	-	1,560	28,727
Accrued payroll liabilities		-	2,008	4,929
Total current liabilities		-	3,568	33,656
Deferred inflows:				
Unavailable revenue		-	-	-
Total deferred inflows		-	-	-
Fund balances (deficit)				
Nonspendable		-	-	-
Restricted		21,882	52,668	63,775
Unassigned		-	-	-
Total fund balance (deficit)		21,882	52,668	63,775
Total liabilities, deferred inflows, and fund balance (deficit)	$	21,882	56,236	97,431

Property Valuation Fund 499	EMS Knowles 604	Law Enforcement Protection Grant 605	High Intensity Drug Trafficking Areas Funds 609	EMS Maljamar 613
1,164,062	22,261	1,450	181,469	6,994
-	-	-	-	-
-	-	-	215,549	-
-	-	-	-	-
1,164,062	22,261	1,450	397,018	6,994
685	-	-	140,950	-
2,270	-	-	6,548	-
2,955	-	-	147,498	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,161,107	22,261	1,450	249,520	6,994
-	-	-	-	-
1,161,107	22,261	1,450	249,520	6,994
1,164,062	22,261	1,450	397,018	6,994

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2020

ASSETS		County Fire Marshall 618	Fire Excise Tax 619	EMS Monument 621
Current assets:				
Cash and cash equivalents	$	158,527	75,283	1,017
Investments		-	-	-
Receivables				
Receivable from other governments		-	-	-
Other receivables		-	-	-
Total current assets	$	158,527	75,283	1,017
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Current liabilities:				
Accounts payable	$	9,846	-	-
Accrued payroll liabilities		-	-	-
Total current liabilities		9,846	-	-
Deferred inflows:				
Unavailable revenue		-	-	-
Total deferred inflows		-	-	-
Fund balances (deficit)				
Nonspendable		-	-	-
Restricted		148,681	75,283	1,017
Unassigned		-	-	-
Total fund balance (deficit)		148,681	75,283	1,017
Total liabilities, deferred inflows, and fund balance (deficit)	$	158,527	75,283	1,017

Total Non-Major Special Revenue Funds	Debt Service Gross Receipts Debt Service 658	Total Non-Major Funds
11,799,193	4,955,346	16,754,539
100,145	-	100,145
-		
1,058,900	482,427	1,541,327
8,785	-	8,785
12,967,023	5,437,773	18,404,796
366,914	-	366,914
39,375	-	39,375
406,289	-	406,289
		-
-	-	-
-	-	-
-	-	-
12,560,734	5,437,773	17,998,507
-	-	-
12,560,734	5,437,773	17,998,507
12,967,023	5,437,773	18,404,796

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

		Farm and Range 403	Community Centers 404	Clerk's Recording & Filing 405
Revenues				
Property, sales, and miscellaneous taxes	$	-	-	-
Licenses and permits		-	-	109,158
Intergovernmental:				
Federal		24,030	-	-
State		-	-	-
Charges for services		-	-	-
Investment earnings		-	-	-
Miscellaneous		-	-	-
Total revenues		24,030	-	109,158
Expenditures				
Current				
General government		-	-	236,494
Public safety		123,500	-	-
Culture and recreation		-	15,691	-
Health and welfare		-	-	-
Public works		-	-	-
Capital outlay		-	-	-
Debt service				
Principal		-	-	-
Interest		-	-	-
Total expenditures		123,500	15,691	236,494
Excess (deficiency) of revenues over expenditures		(99,470)	(15,691)	(127,336)
Other financing sources (uses):				
Transfers in		112,000	-	-
Transfers out		-	-	-
Total other financing sources (uses)		112,000	-	-
Net changes in fund balances		12,530	(15,691)	(127,336)
Fund balances (deficit) - beginning of year		39,309	36,142	256,661
Fund balances (deficit) - end of year	$	51,839	20,451	129,325

See Notes to Financial Statements

Indigent Fund 406	Malijmar Fire District 407	Knowles Fire District 408	Airport Fire 409	Monument Fire District 410
9,031,088	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	96,545	101,909	-	107,272
-	-	-	-	-
-	-	-	-	-
35,529	-	-	-	-
9,066,617	96,545	101,909	-	107,272
-	-	-	-	-
-	34,727	54,399	196,595	137,284
-	-	-	-	-
10,765,835	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,765,835	34,727	54,399	196,595	137,284
(1,699,218)	61,818	47,510	(196,595)	(30,012)
-	-	-	200,000	-
-	-	-	-	-
-	-	-	200,000	-
(1,699,218)	61,818	47,510	3,405	(30,012)
2,286,815	128,951	64,082	13,697	130,220
587,597	190,769	111,592	17,102	100,208

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Enviromental Gross Receipts Tax 411	DWI 412	Correction Fees 415
Revenues			
Property, sales, and miscellaneous taxes	$ 4,986,341	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal	-	-	-
State	-	788,702	167,765
Charges for services	-	139,246	-
Investment earnings	-	-	-
Miscellaneous	153,240	5,788	-
Total revenues	5,139,581	933,736	167,765
Expenditures			
Current			
General government	-	-	-
Public safety	-	845,460	148,888
Culture and recreation	-	-	-
Health and welfare	3,135,000	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	3,135,000	845,460	148,888
Excess (deficiency) of revenues over expenditures	2,004,581	88,276	18,877
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	2,004,581	88,276	18,877
Fund balances (deficit) - beginning of year	5,954,177	268,038	804,319
Fund balances (deficit) - end of year	$ 7,958,758	356,314	823,196

See Notes to Financial Statements

Paving Districts 416	Revolving Loan Fund 421	Revolving EMPG Reimbursement 424	Tire Recycling 426	Other Grants 431
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	10,152	-	69,834
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	10,152	-	69,834
-	-	-	-	50,356
-	-	36,857	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	36,857	-	50,356
-	-	(26,705)	-	19,478
-	-	55,000	-	-
-	-	-	-	-
-	-	55,000	-	-
-	-	28,295	-	19,478
2,538	101,105	23,006	1,800	232,723
2,538	101,105	51,301	1,800	252,201

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Jal CDBG Wastewater 433	County Airports 455	Lea County Event Center 463
Revenues			
Property, sales, and miscellaneous taxes	$ -	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal	-	46,136	-
State	-	60,475	-
Charges for services	-	-	185,369
Investment earnings	-	-	-
Miscellaneous	-	-	496
Total revenues	-	106,611	185,865
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	747,828
Health and welfare	-	-	-
Public works	-	431,565	-
Capital outlay	-	-	77,175
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	431,565	825,003
Excess (deficiency) of revenues over expenditures	-	(324,954)	(639,138)
Other financing sources (uses):			
Transfers in	-	193,658	660,000
Transfers out	-	-	-
Total other financing sources (uses)	-	193,658	660,000
Net changes in fund balances	-	(131,296)	20,862
Fund balances (deficit) - beginning of year	21,882	183,964	42,913
Fund balances (deficit) - end of year	$ 21,882	52,668	63,775

See Notes to Financial Statements

Property Valuation Fund 499	EMS Knowles 604	Enforcement Protection Grant 605	High Intensity Drug Trafficking Areas Funds 609	EMS Maljamar 613
-	-	-	-	-
-	-	-	-	-
-	-	-	1,349,494	-
-	5,166	59,000	-	-
556,138	-	-	-	-
-	-	-	7,839	-
-	-	-	7,735	-
556,138	5,166	59,000	1,365,068	-
444,075	-	-	-	-
-	1,725	78,650	1,364,215	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
50,789	-	-	-	-
-	-	-	-	-
-	-	-	-	-
494,864	1,725	78,650	1,364,215	-
61,274	3,441	(19,650)	853	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
61,274	3,441	(19,650)	853	-
1,099,833	18,820	21,100	248,667	6,994
1,161,107	22,261	1,450	249,520	6,994

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

		County Fire Marshall 618	Fire Excise Tax 619	EMS Monument 621
Revenues				
Property, sales, and miscellaneous taxes	$	-	-	-
Licenses and permits		-	-	-
Intergovernmental:				
Federal		-	-	-
State		103,407	-	-
Charges for services		-	-	-
Investment earnings		-	2,947	-
Miscellaneous		-	-	-
Total revenues		103,407	2,947	-
Expenditures				
Current				
General government		-	-	-
Public safety		63,585	475,211	-
Culture and recreation		-	-	-
Health and welfare		-	-	-
Public works		-	-	-
Capital outlay		190,739	-	-
Debt service				
Principal		-	-	-
Interest		-	-	-
Total expenditures		254,324	475,211	-
Excess (deficiency) of revenues over expenditures		(150,917)	(472,264)	-
Other financing sources (uses):				
Transfers in		200,000	100,000	-
Transfers out		-	-	-
Total other financing sources (uses)		200,000	100,000	-
Net changes in fund balances		49,083	(372,264)	-
Fund balances (deficit) - beginning of year		99,598	447,547	1,017
Fund balances (deficit) - end of year		148,681	75,283	1,017

See Notes to Financial Statements

Total Non-Major Special Revenue Funds	Debt Service Gross Receipts Debt Service 658	Total Non-Major Funds
14,017,429	9,031,088	23,048,517
109,158	-	109,158
1,419,660	-	1,419,660
1,570,227	-	1,570,227
880,753	-	880,753
10,786	1,600	12,386
202,788	-	202,788
18,210,801	9,032,688	27,243,489
730,925	263,823	994,748
3,561,096	-	3,561,096
763,519	-	763,519
13,900,835	-	13,900,835
431,565	-	431,565
318,703	-	318,703
-	4,875,000	4,875,000
-	160,464	160,464
19,706,643	5,299,287	25,005,930
(1,495,842)	3,733,401	2,237,559
1,520,658	-	1,520,658
-	-	-
1,520,658	-	1,520,658
24,816	3,733,401	3,758,217
12,535,918	1,704,372	14,240,290
12,560,734	5,437,773	17,998,507

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
CAPITAL PROJECTS FUND (430)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	1,000,000	1,000,000	-	(1,000,000)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,000,000	1,000,000	-	(1,000,000)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	38,968,773	43,047,209	6,241,490	36,805,719
Total expenditures	38,968,773	43,047,209	6,241,490	36,805,719
Excess (deficiency) of revenues over expenditures	(37,968,773)	(42,047,209)	(6,241,490)	35,805,719
Other financing sources (uses):				
Transfers in	40,977,217	40,977,217	6,000,000	(34,977,217)
Transfers out	-	-	-	-
Total other financing sources (uses)	40,977,217	40,977,217	6,000,000	(34,977,217)
Prior year cash balance budgeted	1,156,434	1,156,434		
Net changes in fund balances	$ 4,164,878	86,442	(241,490)	(327,932)
Reconciliation to GAAP basis:				
Adjustments to revenues			-	
Adjustments to expenditures			337,671	
Net Change in Fund Balances (GAAP Basis)			$ 96,181	

STATE OF NEW MEXICO
LEA COUNTY
FARM AND RANGE - SPECIAL REVENUE FUND (403)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	20,000	20,000	40,574	20,574
State	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	20,000	20,000	40,574	20,574
Expenditures				
Current				
General government	-	-	-	-
Public safety	123,500	123,500	123,500	-
Culture and recreation	-	-	-	-
Heath and welfare	-	-	-	-
Public works	-	-	-	
Capital outlay	-	-	-	-
Total expenditures	123,500	123,500	123,500	-
Excess (deficiency) of revenues over expenditures	(103,500)	(103,500)	(82,926)	20,574
Other financing sources (uses):				
Transfers in	112,153	112,153	112,000	(153)
Transfers out	-	-	-	-
Total other financing sources (uses)	112,153	112,153	112,000	(153)
Prior year cash balance budgeted	-	-		
Net changes in fund balances	$ 8,653	8,653	29,074	20,421
Reconciliation to GAAP basis:				
Adjustments to revenues			(16,544)	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ 12,530	

STATE OF NEW MEXICO
LEA COUNTY
RECREATION- SPECIAL REVENUE FUND (404)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget- Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		-	-	-	-
Charges for services		-	-	-	-
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		-	-	-	-
Expenditures					
Current					
General government		-	-	-	-
Public safety		-	-	-	-
Culture and recreation		84,871	84,871	16,470	68,401
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		200,000	200,000	-	200,000
Total expenditures		284,871	284,871	16,470	268,401
Excess (deficiency) of revenues over expenditures		(284,871)	(284,871)	(16,470)	268,401
Other financing sources (uses):					
Transfers in		310,077	310,077	-	(310,077)
Transfers out		-	-	-	-
Total other financing sources (uses)		310,077	310,077	-	(310,077)
Prior year cash balance budgeted					
Net changes in fund balances	$	25,206	25,206	(16,470)	(41,676)
Reconciliation to GAAP basis:					
Adjustments to revenues				-	
Adjustments to expenditures				779	
Net Change in Fund Balances (GAAP Basis)			$	(15,691)	

STATE OF NEW MEXICO
LEA COUNTY
CLERK RECORDING & FILING - SPECIAL REVENUE FUND (405)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget-Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	
Licenses and permits		100,000	100,000	110,047	10,047
Intergovernmental:					
Federal		-	-	-	-
State		-	-	-	-
Charges for services		-	-	-	-
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		100,000	100,000	110,047	10,047
Expenditures					
Current					
General government		310,600	310,600	238,398	72,202
Public safety		-	-	-	-
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		-	-	-	-
Total expenditures		310,600	310,600	238,398	72,202
Excess (deficiency) of revenues over expenditures		(210,600)	(210,600)	(128,351)	82,249
Other financing sources (uses):					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Total other financing sources (uses)		-	-	-	-
Prior year cash balance budgeted		249,560	249,560		
Net changes in fund balances	$	38,960	38,960	(128,351)	(167,311)
Reconciliation to GAAP basis:					
Adjustments to revenues				(889)	
Adjustments to expenditures				1,904	
Net Change in Fund Balances (GAAP Basis)			$	(127,336)	

STATE OF NEW MEXICO
LEA COUNTY
INDIGENT FUND (406)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ 7,600,000	7,600,000	9,253,032	1,653,032
Payment in lieu of taxes	-	-	-	
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	500	500	35,529	35,029
Total revenues	7,600,500	7,600,500	9,288,561	1,688,061
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	10,691,000	11,158,000	10,765,755	392,245
Total expenditures	10,691,000	11,158,000	10,765,755	392,245
Excess (deficiency) of revenues over expenditures	(3,090,500)	(3,557,500)	(1,477,194)	2,080,306
Other financing sources (uses):				
Transfers in	2,902,161	2,902,161	-	(2,902,161)
Transfers out	-	-	-	-
Total other financing sources (uses)	2,902,161	2,902,161	-	(2,902,161)
Prior year cash required to balance budget	1,582,444	1,582,444		
Net changes in fund balances	$ 1,394,105	927,105	(1,477,194)	(2,404,299)
Reconciliation to GAAP basis:				
Adjustments to revenues			(221,944)	
Adjustments to expenditures			(80)	
Net Change in Fund Balances (GAAP Basis)			$ (1,699,218)	

STATE OF NEW MEXICO
LEA COUNTY
MALJIMAR FIRE DISTRICT - SPECIAL REVENUE FUND (407)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget-Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	75,062	75,062	96,545	21,483
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	75,062	75,062	96,545	21,483
Expenditures				
Current				
General government	-	-	-	-
Public safety	75,062	75,062	34,266	40,796
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Total expenditures	75,062	75,062	34,266	40,796
Excess (deficiency) of revenues over expenditures	-	-	62,279	62,279
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Prior year cash required to balance budget	-	-		
Net changes in fund balances	$ -	-	62,279	62,279
Reconciliation to GAAP basis:				
Adjustments to revenues			-	
Adjustments to expenditures			(461)	
Net Change in Fund Balances (GAAP Basis)			$ 61,818	

STATE OF NEW MEXICO
LEA COUNTY
KNOWLES FIRE DISTRICT- SPECIAL REVENUE FUND (408)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	79,232	79,232	101,909	22,677
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	79,232	79,232	101,909	22,677
Expenditures				
Current				
General government	-	-	-	-
Public safety	79,232	680,232	54,073	626,159
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	79,232	680,232	54,073	626,159
Excess (deficiency) of revenues over expenditures	-	(601,000)	47,836	648,836
Other financing sources (uses):				
Transfers in	600,000	600,000	-	(600,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	600,000	600,000	-	(600,000)
Prior year cash balance budgeted				
Net changes in fund balances	$ 600,000	(1,000)	47,836	48,836
Reconciliation to GAAP basis:				
Adjustments to revenues			-	
Adjustments to expenditures			(326)	
Net Change in Fund Balances (GAAP Basis)			$ 47,510	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
AIRPORT FIRE - SPECIAL REVENUE FUND (409)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget- Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		-	-	-	-
Charges for services		-	-	-	-
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		-	-	-	-
Expenditures					
Current					
General government		-	-	-	-
Public safety		347,723	482,070	198,092	283,978
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		-	-	-	-
Debt service					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		347,723	482,070	198,092	283,978
Excess (deficiency) of revenues over expenditures		(347,723)	(482,070)	(198,092)	283,978
Other financing sources (uses):					
Transfers in		483,760	483,760	200,000	(283,760)
Transfers out		-	-	-	-
Total other financing sources (uses)		483,760	483,760	200,000	(283,760)
Net changes in fund balances	$	136,037	1,690	1,908	218
Reconciliation to GAAP basis:					
Adjustments to revenues				-	
Adjustments to expenditures				1,497	
Net Change in Fund Balances (GAAP Basis)			$	3,405	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
MONUMENT FIRE DISTRICT - SPECIAL REVENUE FUND (410)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget-
		Original	Final	Actual Amounts	Positive (Negative)
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	-
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		83,401	83,401	107,272	23,871
Charges for services		-	-	-	-
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		83,401	83,401	107,272	23,871
Expenditures					
Current					
General government		-	-	-	-
Public safety		183,401	183,401	136,509	46,892
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		-	-	-	-
Debt service					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		183,401	183,401	136,509	46,892
Excess (deficiency) of revenues over expenditures		(100,000)	(100,000)	(29,237)	70,763
Other financing sources (uses):					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Total other financing sources (uses)		-	-	-	-
Prior year cash balance budgeted					
Net changes in fund balances	$	(100,000)	(100,000)	(29,237)	70,763
Reconciliation to GAAP basis:					
Adjustments to revenues				-	
Adjustments to expenditures				(775)	
Net Change in Fund Balances (GAAP Basis)			$	(30,012)	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
ENVIRONMENTAL GROSS RECEIPTS TAX - SPECIAL REVENUE FUND (411)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Property, sales, and miscellaneous taxes	$ 3,800,000	3,587,250	5,121,112	1,533,862
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	140,000	140,773	153,240	12,467
Total revenues	3,940,000	3,728,023	5,274,352	1,546,329
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	4,978,738	5,488,093	3,142,473	2,345,620
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,978,738	5,488,093	3,142,473	2,345,620
Excess (deficiency) of revenues over expenditures	(1,038,738)	(1,760,070)	2,131,879	3,891,949
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Prior year cash balance budgeted				
Net changes in fund balances	$ (1,038,738)	(1,760,070)	2,131,879	3,891,949
Reconciliation to GAAP basis:				
Adjustments to revenues			(134,771)	
Adjustments to expenditures			7,473	
Net Change in Fund Balances (GAAP Basis)			$ 2,004,581	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
DWI - SPECIAL REVENUE FUND (412)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget- Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		691,155	722,279	788,582	66,303
Charges for services		212,670	212,670	139,246	(73,424)
Investment earnings		-	-	-	-
Miscellaneous		6,300	6,300	5,788	(512)
Total revenues		910,125	941,249	933,616	(7,633)
Expenditures					
Current					
General government		-	-	-	-
Public safety		1,036,516	1,036,516	770,207	266,309
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		-	-	-	-
Debt service					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		1,036,516	1,036,516	770,207	266,309
Excess (deficiency) of revenues over expenditures		(126,391)	(95,267)	163,409	258,676
Other financing sources (uses):					
Transfers in		167,405	167,405	-	(167,405)
Transfers out		-	-	-	-
Total other financing sources (uses)		167,405	167,405	-	(167,405)
Prior year cash balance budgeted			-		
Net changes in fund balances	$	41,014	72,138	163,409	91,271
Reconciliation to GAAP basis:					
Adjustments to revenues				120	
Adjustments to expenditures				(75,253)	
Net Change in Fund Balances (GAAP Basis)			$	88,276	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
CORRECTION FEES - SPECIAL REVENUE FUND (415)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget-
		Original	Final	Actual Amounts	Positive (Negative)
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		135,000	135,000	130,413	(4,587)
Charges for services		-	-	-	-
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		135,000	135,000	130,413	(4,587)
Expenditures					
Current					
General government		-	-	-	-
Public safety		842,925	842,925	140,769	702,156
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		-	-	-	-
Debt service					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		842,925	842,925	140,769	702,156
Excess (deficiency) of revenues over expenditures		(707,925)	(707,925)	(10,356)	697,569
Other financing sources (uses):					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Total other financing sources (uses)		-	-	-	-
Prior year cash balance budgeted		808,067	808,067		
Net changes in fund balances	$	100,142	100,142	(10,356)	(110,498)
Reconciliation to GAAP basis:					
Adjustments to revenues				37,352	
Adjustments to expenditures				(8,119)	
Net Change in Fund Balances (GAAP Basis)				18,877	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
PAVING DISTRICT - SPECIAL REVENUE FUND (416)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget-Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	100,000	100,000	-	100,000
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	100,000	100,000	-	100,000
Excess (deficiency) of revenues over expenditures	(100,000)	(100,000)	-	100,000
Other financing sources (uses):				
Transfers in	105,796	105,796	-	(105,796)
Transfers out	-	-	-	-
Total other financing sources (uses)	105,796	105,796	-	(105,796)
Net changes in fund balances	$ 5,796	5,796	-	(5,796)
Reconciliation to GAAP basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ -	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
EMPG REIMBURSEMENT - SPECIAL REVENUE FUND (424)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget-
		Original	Final	Actual Amounts	Positive (Negative)
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		50,731	50,731	10,152	(40,579)
Charges for services		-	-	-	-
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		50,731	50,731	10,152	(40,579)
Expenditures					
Current					
General government		-	-	-	-
Public safety		39,118	39,118	36,857	2,261
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		-	-	-	-
Debt service					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		39,118	39,118	36,857	2,261
Excess (deficiency) of revenues over expenditures		11,613	11,613	(26,705)	(38,318)
Other financing sources (uses):					
Transfers in		-	55,000	55,000	-
Transfers out		-	-	-	-
Total other financing sources (uses)		-	55,000	55,000	-
Net changes in fund balances	$	11,613	66,613	28,295	(38,318)
Reconciliation to GAAP basis:					
Adjustments to revenues				-	
Adjustments to expenditures					
Net Change in Fund Balances (GAAP Basis)			$	28,295	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
OTHER GRANTS - SPECIAL REVENUE FUND (431)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget- Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		12,672	12,672	-	(12,672)
State		400,476	400,476	69,834	(330,642)
Charges for services		-	-	-	-
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		413,148	413,148	69,834	(343,314)
Expenditures					
Current					
General government		421,811	421,811	50,288	371,523
Public safety		-	-	-	-
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		-	-	-	-
Debt service					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		421,811	421,811	50,288	371,523
Excess (deficiency) of revenues over expenditures		(8,663)	(8,663)	19,546	28,209
Other financing sources (uses):					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Total other financing sources (uses)		-	-	-	-
Prior year cash balance budgeted		4,908	13,982		
Net changes in fund balances	$	(3,755)	5,319	19,546	14,227
Reconciliation to GAAP basis:					
Adjustments to revenues				-	
Adjustments to expenditures				(68)	
Net Change in Fund Balances (GAAP Basis)			$	19,478	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COUNTY AIRPORTS - SPECIAL REVENUE FUND (455)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	232,834	232,834	46,136	(186,698)
State	190,000	190,000	56,408	(133,592)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	422,834	422,834	102,544	(320,290)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	661,141	822,381	431,221	391,160
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	661,141	822,381	431,221	391,160
Excess (deficiency) of revenues over expenditures	(238,307)	(399,547)	(328,677)	70,870
Other financing sources (uses):				
Transfers in	307,572	461,312	193,658	(267,654)
Transfers out	-	-	-	-
Total other financing sources (uses)	307,572	461,312	193,658	(267,654)
Budgeted Increase in cash balance		-		
Net changes in fund balances	$ 69,265	61,765	(135,019)	(196,784)
Reconciliation to GAAP basis:				
Adjustments to revenues			4,067	
Adjustments to expenditures			(344)	
Net Change in Fund Balances (GAAP Basis)			$ (131,296)	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
LEA COUNTY EVENT CENTER - SPECIAL REVENUE FUND (463)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Charges for services	228,700	228,700	197,311	(31,389)
Investment earnings	-	-	-	-
Miscellaneous	-	-	496	496
Total revenues	228,700	228,700	197,807	(30,893)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	1,249,768	784,712	465,056
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	153,000	3,173,497	77,175	3,096,322
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	153,000	4,423,265	861,887	3,561,378
Excess (deficiency) of revenues over expenditures	75,700	(4,194,565)	(664,080)	3,530,485
Other financing sources (uses):				
Transfers in	4,228,370	4,228,370	660,000	(3,568,370)
Transfers out	-	-	-	-
Total other financing sources (uses)	4,228,370	4,228,370	660,000	(3,568,370)
Prior year cash balance budgeted	-	-		
Net changes in fund balances	$ 4,304,070	33,805	(4,080)	(37,885)
Reconciliation to GAAP basis:				
Adjustments to revenues			(11,942)	
Adjustments to expenditures			36,884	
Net Change in Fund Balances (GAAP Basis)			$ 20,862	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
PROPERTY VALUATION - SPECIAL REVENUE FUND (499)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget-
		Original	Final	Actual Amounts	Positive (Negative)
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		-	-	-	-
Charges for services		409,516	409,516	556,138	146,622
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		409,516	409,516	556,138	146,622
Expenditures					
Current					
General government		758,202	758,202	448,863	309,339
Public safety		-	-	-	-
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		55,000	55,000	50,789	4,211
Debt service					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		813,202	813,202	499,652	313,550
Excess (deficiency) of revenues over expenditures		(403,686)	(403,686)	56,486	460,172
Other financing sources (uses):					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Total other financing sources (uses)		-	-	-	-
Prior year cash balance budgeted			-		
Net changes in fund balances	$	(403,686)	(403,686)	56,486	460,172
Reconciliation to GAAP basis:					
Adjustments to revenues				-	
Adjustments to expenditures				4,788	
Net Change in Fund Balances (GAAP Basis)			$	61,274	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
EMS KNOWLES - SPECIAL REVENUE FUND (604)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with
			Actual	Final Budget-Positive
	Original	Final	Amounts	(Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	5,000	5,000	5,166	166
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,000	5,000	5,166	166
Expenditures				
Current				
General government	-	-	-	-
Public safety	5,000	5,000	1,725	3,275
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,000	5,000	1,725	3,275
Excess (deficiency) of revenues over expenditures	-	-	3,441	3,441
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	$ -	-	3,441	3,441
Reconciliation to GAAP basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ 3,441	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
LAW ENFORCEMENT GRANT - SPECIAL REVENUE FUND (605)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	59,600	59,000	59,000	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	59,600	59,000	59,000	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	59,600	89,050	87,600	1,450
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	59,600	89,050	87,600	1,450
Excess (deficiency) of revenues over expenditures	-	(30,050)	(28,600)	1,450
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Prior year cash balance budgeted		-		
Net changes in fund balances	$ -	(30,050)	(28,600)	1,450
Reconciliation to GAAP basis:				
Adjustments to revenues			-	
Adjustments to expenditures			8,950	
Net Change in Fund Balances (GAAP Basis)			$ (19,650)	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
HIGH INTENSITY DRUG TRAFFICKING AREAS - SPECIAL REVENUE FUND (609)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	1,577,781	1,557,393	1,338,224	(219,169)
State	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	30	30	7,839	7,809
Miscellaneous	-	-	7,735	7,735
Total revenues	1,577,811	1,557,423	1,353,798	(203,625)
Expenditures				
Current				
General government	-	-	-	-
Public safety	1,424,262	1,588,393	1,382,531	205,862
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,424,262	1,588,393	1,382,531	205,862
Excess (deficiency) of revenues over expenditures	153,549	(30,970)	(28,733)	2,237
Other financing sources (uses):				
Transfers in	20,000	20,000	-	(20,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	20,000	20,000	-	(20,000)
Prior year cash balance (increase)				
Net changes in fund balances	$ 173,549	(10,970)	(28,733)	(17,763)
Reconciliation to GAAP basis:				
Adjustments to revenues			11,270	
Adjustments to expenditures			18,316	
Net Change in Fund Balances (GAAP Basis)			$ 853	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
EMS MALIJAMAR - SPECIAL REVENUE FUND (613)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	6,993	6,993	-	6,993
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,993	6,993	-	6,993
Excess (deficiency) of revenues over expenditures	(6,993)	(6,993)	-	6,993
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Prior year cash balance budgeted		-		
Net changes in fund balances	$ (6,993)	(6,993)	-	6,993
Reconciliation to GAAP basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ -	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
COUNTY FIRE MARSHALL - SPECIAL REVENUE FUND (618)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget-
		Original	Final	Actual Amounts	Positive (Negative)
Revenues					
Property, sales, and miscellaneous taxes	$	-	-	-	-
Payment in lieu of taxes		-	-	-	-
Licenses and permits		-	-	-	-
Intergovernmental:					
Federal		-	-	-	-
State		279,232	279,232	103,407	(175,825)
Charges for services		-	-	-	-
Investment earnings		-	-	-	-
Miscellaneous		-	-	-	-
Total revenues		279,232	279,232	103,407	(175,825)
Expenditures					
Current					
General government		-	-	-	-
Public safety		79,232	79,232	54,125	25,107
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Public works		-	-	-	-
Capital outlay		1,500,000	1,500,000	190,739	1,309,261
Debt service					
Principal		-	-	-	-
Interest		-	-	-	-
Total expenditures		1,579,232	1,579,232	244,864	1,334,368
Excess (deficiency) of revenues over expenditures		(1,300,000)	(1,300,000)	(141,457)	1,158,543
Other financing sources (uses):					
Transfers in		1,213,377	1,213,377	200,000	(1,013,377)
Transfers out		-	-	-	-
Total other financing sources (uses)		1,213,377	1,213,377	200,000	(1,013,377)
Prior year cash balance budgeted		-	-		
Net changes in fund balances	$	(86,623)	(86,623)	58,543	145,166
Reconciliation to GAAP basis:					
Adjustments to revenues				-	
Adjustments to expenditures				(9,460)	
Net Change in Fund Balances (GAAP Basis)			$	49,083	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
FIRE EXCISE TAX - SPECIAL REVENUE FUND (619)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	4,000	4,000	2,947	(1,053)
Miscellaneous	-	-	-	-
Total revenues	4,000	4,000	2,947	(1,053)
Expenditures				
Current				
General government	-	-	-	-
Public safety	600,000	600,000	475,211	124,789
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	600,000	600,000	475,211	124,789
Excess (deficiency) of revenues over expenditures	(596,000)	(596,000)	(472,264)	123,736
Other financing sources (uses):				
Transfers in	280,661	280,661	100,000	(180,661)
Transfers out	-	-	-	-
Total other financing sources (uses)	280,661	280,661	100,000	(180,661)
Prior year cash balance budgeted				
Net changes in fund balances	$ (315,339)	(315,339)	(372,264)	$ (56,925)
Reconciliation to GAAP basis:				
Adjustments to revenues				
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ (372,264)	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
EMS MONUMENT - SPECIAL REVENUE FUND (621)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Property, sales, and miscellaneous taxes	$ -	-	-	-
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	5,000	5,000	-	(5,000)
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,000	5,000	-	(5,000)
Expenditures				
Current				
General government	-	-	-	-
Public safety	5,000	5,000	-	5,000
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,000	5,000	-	5,000
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	$ -	-	-	-
Reconciliation to GAAP basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ -	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
GROSS RECEIPTS DEBT SERVICE - DEBT SERVICE FUND (658)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property, sales, and miscellaneous taxes	$ 7,600,000	6,800,000	9,253,032	2,453,032
Payment in lieu of taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	3,000	3,000	1,600	(1,400)
Miscellaneous	-	-	-	-
Total revenues	7,603,000	6,803,000	9,254,632	2,451,632
Expenditures				
Current				
General government	237,500	297,500	263,823	33,677
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health & Welfare	-	-	-	-
Public Works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	775,000	6,715,000	4,875,000	1,840,000
Interest	104,326	104,326	160,464	(56,138)
Total expenditures	1,116,826	7,116,826	5,299,287	1,817,539
Excess (deficiency) of revenues over expenditures	6,486,174	(313,826)	3,955,345	4,269,171
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	6,486,174	6,486,174	-	(6,486,174)
Total other financing sources (uses)	6,486,174	6,486,174	-	(6,486,174)
Prior year cash balance budgeted	-	-		
Net changes in fund balances	$ 12,972,348	6,172,348	3,955,345	(2,217,003)
Reconciliation to GAAP basis:				
Adjustments to revenues			(221,944)	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ 3,733,401	

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
WATER SERVICE AND SOLID WASTE (675) - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

		Budgeted Amounts			Variance with Final Budget-
		Original	Final	Actual Amounts	Positive (Negative)
OPERATING REVENUES					
Charges for services	$	-	-	-	-
Investment earnings		-	-	-	
Miscellaneous		-	-	-	-
Total operating revenues		-	-	-	-
OPERATING EXPENSES					
Operating expenses		148,434	148,434	1,930	146,504
Total operatng expenditures		148,434	148,434	1,930	146,504
Operating income (loss)		(148,434)	(148,434)	(1,930)	146,504
NONOPERATING REVENUENS (EXPENSES):					
Capital outlay		-	-	-	-
Total nonoperating revenues (expenses)		-	-	-	-
Income (loss) before transfers					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Total other financing sources (uses)		-	-	-	-
Prior year cash balance budgeted		-	-		
Change in net position	$	(148,434)	(148,434)	(1,930)	146,504

Fiduciary Funds

Photo Courtesy of Samantha Langston

FIDUCIARY FUNDS

Agency Funds – To account for the collection and payment of property taxes and special fees to other governmental agencies. Agency funds are purely custodial and do not involve measurement of results of operations.

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
COUNTY CLERK'S OFFICE				
ASSETS				
Cash and cash equivalents	$ 52,576	596,061	600,053	48,584
Total assets	52,576	596,061	600,053	48,584
LIABILITIES				
Deposits held in trust for others	52,576	596,061	600,053	48,584
Total liabilities	52,576	596,061	600,053	48,584
COUNTY PROBATE JUDGE'S OFFICE				
ASSETS				
Cash and cash equivalents	510	7,200	7,110	600
Total assets	510	7,200	7,110	600
LIABILITIES				
Deposits held in trust for others	510	7,200	7,110	600
Total liabilities	510	7,200	7,110	600
DETENTION INMATE TRUST				
ASSETS				
Cash and cash equivalents	27,839	454,673	460,169	22,343
Total assets	27,839	454,673	460,169	22,343
LIABILITIES				
Deposits held in trust for others	27,839	454,673	460,169	22,343
Total liabilities	27,839	454,673	460,169	22,343

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
DETENTION BOND ACCOUNT				
ASSETS				
Cash and cash equivalents	$ 183	-	183	-
Total assets	183	-	183	-
LIABILITIES				
Deposits held in trust for others	183	-	183	-
Total liabilities	183	-	183	-
COUNTY TREASURER'S OFFICE SUSPENSE FUND (478)				
ASSETS				
Cash and cash equivalents	987,414	68,713	2,003	1,054,124
Total assets	987,414	68,713	2,003	1,054,124
LIABILITIES				
Deposits held in trust for others	987,414	68,713	2,003	1,054,124
Total liabilities	987,414	68,713	2,003	1,054,124
LEA COUNTY WATER USERS ASSOCIATION (635)				
ASSETS				
Cash and cash equivalents	24,273	-	1,094	23,179
Total assets	24,273	-	1,094	23,179
LIABILITIES				
Deposits held in trust for others	24,273	-	1,094	23,179
Total liabilities	24,273	-	1,094	23,179
COUNTY TREASURER'S OFFICE (800 and Various School Funds)				
ASSETS				
Cash and cash equivalents	5,955,888	179,368,855	179,862,415	5,462,328
Receivables - Property taxes	95	2,667		2,762
Total assets	5,955,983	179,371,522	179,862,415	5,465,090
LIABILITIES				
Deposits held in trust for others	5,955,888	179,368,855	179,862,415	5,462,328
Future taxes collectible	95	2,667	-	2,762
Total liabilities	5,955,983	179,371,522	179,862,415	5,465,090

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
LEA COUNTY COMMUNICATIONS AUTHORITY (808)				
ASSETS				
Cash and cash equivalents	$ 748,046	3,725,884	3,684,288	789,642
Total assets	748,046	3,725,884	3,684,288	789,642
LIABILITIES				
Deposits held in trust for others	748,046	3,725,884	3,684,288	789,642
Total liabilities	748,046	3,725,884	3,684,288	789,642
EDDY-LEA ENERGY ALLIANCE (809)				
ASSETS				
Cash and cash equivalents	131,432	36,434	72,579	95,287
Total assets	131,432	36,434	72,579	95,287
LIABILITIES				
Deposits held in trust for others	131,432	36,434	72,579	95,287
Total liabilities	131,432	36,434	72,579	95,287
LEA COUNTY SOLID WASTE AUTHORITY (810 & 811)				
ASSETS				
Cash and cash equivalents	11,229,053	4,313,638	2,065,122	13,477,569
Total assets	11,229,053	4,313,638	2,065,122	13,477,569
LIABILITIES				
Deposits held in trust for others	11,229,053	4,313,638	2,065,122	13,477,569
Total liabilities	11,229,053	4,313,638	2,065,122	13,477,569
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	19,157,214	188,571,458	186,755,016	20,973,656
Receivables - Property taxes	95	2,667	-	2,762
Total assets	19,157,309	188,574,125	186,755,016	20,976,418
LIABILITIES				
Deposits held in trust for others	19,157,214	188,571,458	186,755,016	20,973,656
Future taxes collectible	95	2,667	-	2,762
Total liabilities	19,157,309	188,574,125	186,755,016	20,976,418

Although Lea County has miles upon miles of open range, with endless horizons dotted by cattle and rows of pump jacks that are mirrored by the infamous clear sky, its five municipalities are Meccas of activity and progressive thinking.

Lea COUNTY new mexico

Photo Courtesy of Chaddick Mohon

Supporting Schedules

Photo Courtesy of Samantha Langston

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2020

Account Type	Account Name	Lea County State Bank	First American Bank	Pioneer Savings Bank	Wells Fargo	Western Commerce Bank	Moreton Capital Markets	Totals
Cash and Cash Equivalents								
Checking	Lea County Treasurer	$ 82,763						82,763
Checking	Lea County Escrow Account	250,000						250,000
Checking	Lea County Treasurer EFTPS	2,701						2,701
CD	Lea County Treasurer		1,000,000					1,000,000
CD	Lea County Treasurer		1,000,000					1,000,000
CD	Lea County Treasurer		1,000,000					1,000,000
CD	Lea County Treasurer	2,000,000						2,000,000
CD	Lea County Treasurer	2,000,000						2,000,000
CD	Lea County Treasurer	1,000,000						1,000,000
CD	Lea County Treasurer	1,000,000						1,000,000
CD	Lea County Treasurer	1,000,000				2,000,000		3,000,000
CD	Lea County Treasurer	1,443,125				850,000		2,293,125
CD	Lea County Treasurer	900,000				1,000,000		1,900,000
CD	Lea County Treasurer					500,000		500,000
CD	Lea County Treasurer			1,000,000				1,000,000
CD	Lea County Treasurer			1,000,000				1,000,000
Checking	Lea County Treasurer				3,632,898			3,632,898
Savings	Lea County Treasurer				2,355,119			2,355,119
Checking	Lea County Treasurer				4,955,346			4,955,346
Checking	Detention				22,344			22,344
Checking	Lea County Clerk	48,584						48,584
Checking	Lea County Probate Clerk	600						600
Checking	LCDTF - Justice Forfeiture Fund					23,853		23,853
Money Market	Lea County Treasurer						100,001,390	100,001,390
	Total on Deposit	9,727,773	3,000,000	2,000,000	10,965,707	4,373,853	100,001,390	130,068,723
	Reconciling Items	37,219	-	-	(1,904,922)	(750)	(718)	(1,869,171)
Total Reconciled Cash and Cash Equivalents		$ 9,764,992	3,000,000	2,000,000	9,060,785	4,373,103	100,000,672	128,199,552
Petty Cash								1,000
Total Cash June 30, 2020								128,200,552
Less: Agency Funds								(20,973,656)
Combined Cash Balance Sheet Total June 30, 2020								$ 107,226,896

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2020

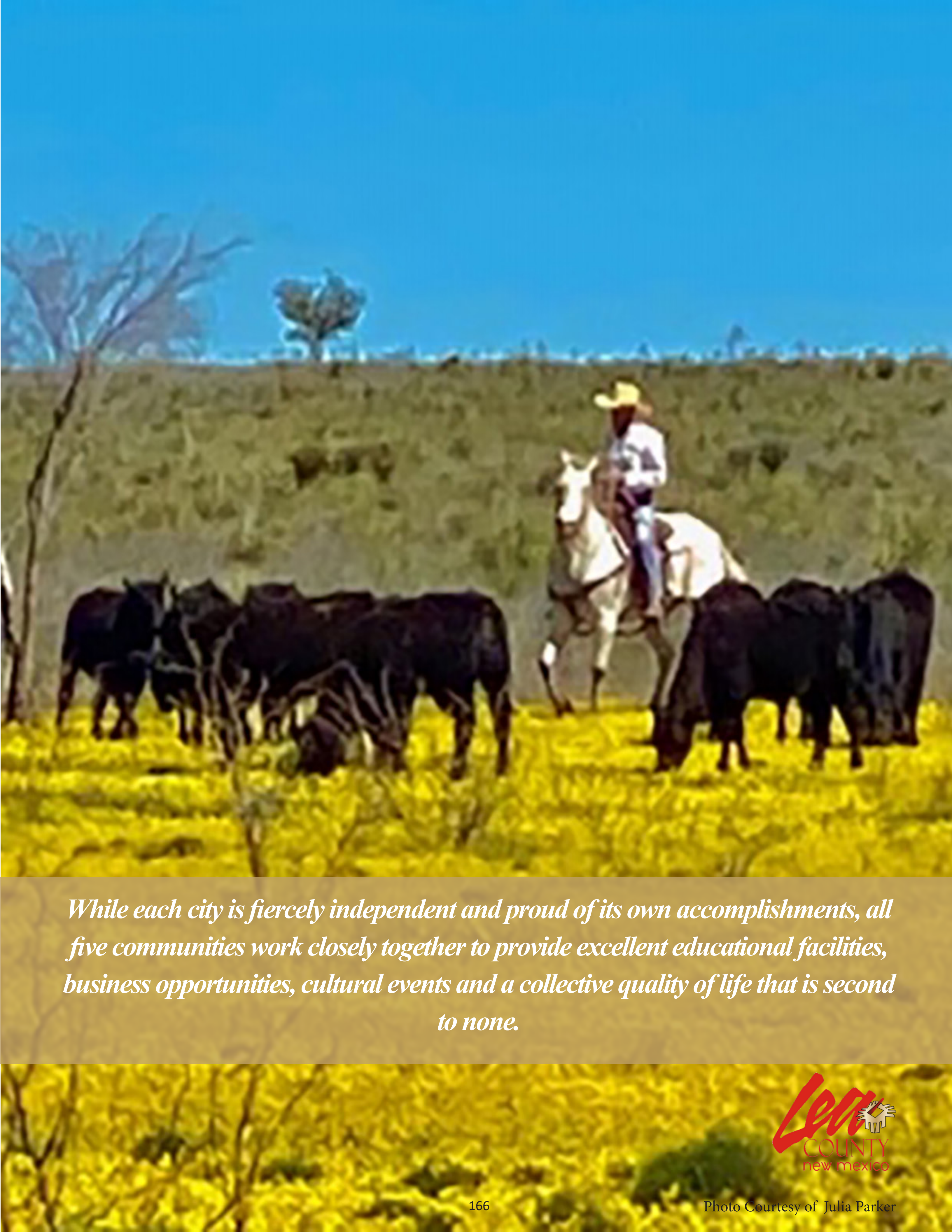
Account Type	Account Name	Lea County State Bank	First American Bank	Pioneer Savings Bank	Wells Fargo	Western Commerce Bank	Moreton Capital Markets	Totals
Investments								
Treasury Strip	Lea County Treasurer	$ 100,145	-	-	-	-	-	100,145
Repurchase Agreement	Lea County Treasurer	-	-	-	10,090,708	-	-	10,090,708
Repurchase Agreement	Lea County Treasurer Escrow Account	1,866,044	-	-	-	-	-	1,866,044
CD	Lea County Treasurer	-	-	-	-	-	5,750,000	5,750,000
		$ 1,966,189	-	-	10,090,708	-	5,750,000	17,806,897

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2020

Account Type	Account Name	Lea County State Bank	First American Bank	Pioneer Savings Bank	Wells Fargo	Western Commerce Bank	Moreton Capital Markets	Totals
Cash and Cash Equivalents								
Checking	Lea County Treasurer	$ 82,763						82,763
Checking	Lea County Escrow Account	250,000						250,000
Checking	Lea County Treasurer EFTPS	2,701						2,701
CD	Lea County Treasurer		1,000,000					1,000,000
CD	Lea County Treasurer		1,000,000					1,000,000
CD	Lea County Treasurer		1,000,000					1,000,000
CD	Lea County Treasurer	2,000,000						2,000,000
CD	Lea County Treasurer	2,000,000						2,000,000
CD	Lea County Treasurer	1,000,000						1,000,000
CD	Lea County Treasurer	1,000,000						1,000,000
CD	Lea County Treasurer	1,000,000				2,000,000		3,000,000
CD	Lea County Treasurer	1,443,125				850,000		2,293,125
CD	Lea County Treasurer	900,000				1,000,000		1,900,000
CD	Lea County Treasurer					500,000		500,000
CD	Lea County Treasurer			1,000,000				1,000,000
CD	Lea County Treasurer			1,000,000				1,000,000
Checking	Lea County Treasurer				3,632,898			3,632,898
Savings	Lea County Treasurer				2,355,119			2,355,119
Checking	Lea County Treasurer				4,955,346			4,955,346
Checking	Detention				22,344			22,344
Checking	Lea County Clerk	48,584						48,584
Checking	Lea County Probate Clerk	600						600
Checking	LCDTF - Justice Forfeiture Fund					23,853		23,853
Money Market	Lea County Treasurer						100,001,390	100,001,390
	Total on Deposit	9,727,773	3,000,000	2,000,000	10,965,707	4,373,853	100,001,390	130,068,723
	Reconciling Items	37,219	-	-	(1,904,922)	(750)	(718)	(1,869,171)
Total Reconciled Cash and Cash Equivalents		$ 9,764,992	3,000,000	2,000,000	9,060,785	4,373,103	100,000,672	128,199,552
Petty Cash								1,000
Total Cash June 30, 2020								128,200,552
Less: Agency Funds								(20,973,656)
Combined Cash Balance Sheet Total June 30, 2020								$ 107,226,896

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2020

Account Type	Account Name		Lea County State Bank	First American Bank	Pioneer Savings Bank	Wells Fargo	Western Commerce Bank	Moreton Capital Markets	Totals
Investments									
Treasury Strip	Lea County Treasurer	$	100,145	-	-	-	-	-	100,145
Repurchase Agreement	Lea County Treasurer		-	-	-	10,090,708	-	-	10,090,708
Repurchase Agreement	Lea County Treasurer Escrow Account		1,866,044	-	-	-	-	-	1,866,044
CD	Lea County Treasurer		-	-	-	-	-	5,750,000	5,750,000
		$	1,966,189	-	-	10,090,708	-	5,750,000	17,806,897



While each city is fiercely independent and proud of its own accomplishments, all five communities work closely together to provide excellent educational facilities, business opportunities, cultural events and a collective quality of life that is second to none.

Lea COUNTY new mexico

Photo Courtesy of Julia Parker

STATE OF NEW MEXICO
LEA COUNTY
TAX ROLL RECONCILIATION - CHANGES IN PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2020

Property taxes receivable, beginning of year	$	2,650,878
Changes to tax roll:		
Net tax charges to treasurer for tax year 2019		65,562,674
Decrease in net tax charges 2010-2019		-
Adjustments:		
Less roll-off of 2009 taxes on ten year schedule		-
Net increase/(decrease) of taxes receivable		-
Unknown increase in receivable		589,974
Total receivable prior to collections		68,803,526
Collections for fiscal year ended June 30, 2020		(66,201,929)
Property taxes receivable at June 30, 2020	$	2,601,597
Property taxes are reported as follows		
Governmental funds:		
County portion	$	823,761
Agency portion		1,777,836
Total property taxes receivable	$	2,601,597
Property taxes receivable by years:		
2010-2018	$	1,164,862
2019		1,436,735
	$	2,601,597

See Notes to Financial Statements

STATE OF NEW MEXICO
LEA COUNTY
TREASURERS PROPERTY TAX SCHEDULE
June 30, 2020

	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Undistr. At Year End	County Receivable At Year-End
LEA COUNTY:							
Operations							
2010 - 2018	$ 128,727,236	687,874	128,325,450	807,457	128,004,968	320,482	401,786
2019	21,586,801	21,164,826	21,164,826	20,164,012	20,164,012	1,000,814	421,975
Total	150,314,037	21,852,700	149,490,276	20,971,469	148,168,980	1,321,296	823,761
CITY OF LOVINGTION							
2010 - 2018	3,366,599	22,563	3,347,641	34,257	3,344,545	3,097	18,958
2019	475,749	448,141	448,142	433,226	433,226	14,916	27,607
Total	3,842,348	470,704	3,795,783	467,483	3,777,771	18,013	46,565
CITY OF EUNICE							
2010 - 2018	1,456,735	9,552	1,452,197	15,013	1,451,107	1,087	4,538
2019	227,232	217,815	217,815	212,632	212,632	5,183	9,417
Total	1,683,967	227,367	1,670,012	227,645	1,663,739	6,270	13,955
CITY OF HOBBS							
2010 - 2018	21,513,900	86,829	21,483,584	151,870	21,475,886	7,697	30,316
2019	2,749,044	2,643,952	2,643,952	2,580,872	2,580,872	63,081	105,092
Total	24,262,944	2,730,781	24,127,536	2,732,742	24,056,758	70,778	135,408
CITY OF JAL							
2010 - 2018	1,297,102	5,441	1,295,638	8,605	1,128,821	504	1,464
2019	166,560	160,166	160,166	155,625	155,625	4,541	6,394
Total	1,463,662	165,607	1,455,804	164,230	1,284,446	5,045	7,858
TOWN OF TATUM							
2010 - 2018	234,435	4,387	233,783	6,536	233,573	209	652
2019	26,722	23,087	23,087	22,304	22,304	783	3,635
Total	261,157	27,474	256,870	28,840	255,877	992	4,287
NEW MEXICO JUNIOR COLLEGE							
2010 - 2018	62,505,605	333,387	62,310,822	397,306	62,157,186	153,635	194,783
2019	10,458,895	10,250,169	10,250,169	9,768,545	9,768,545	481,624	208,726
Total	72,964,500	10,583,556	72,560,991	10,165,851	71,925,731	635,259	403,509
NOR LEA							
2010 - 2018	12,610,607	83,332	12,582,226	113,982	10,810,244	4,547	28,381
2019	2,217,487	2,161,996	2,161,996	1,929,171	1,929,171	232,825	55,491
Total	14,828,094	2,245,328	14,744,222	2,043,153	12,739,415	237,372	83,872
JAL HOSPITAL							
2010 - 2018	4,859,351	88,347	4,788,401	19,982	4,706,082	82,318	70,950
2019	1,328,572	1,317,167	1,317,167	1,291,650	1,291,650	25,518	11,405
Total	6,187,923	1,405,514	6,105,568	1,311,632	5,997,732	107,836	82,355
EUNICE HOSPITAL							
2010 - 2018	2,353,988	2,198	2,352,250	19,392	2,351,749	500	1,738
2019	378,644	374,900	374,899	353,898	353,898	21,002	3,745
Total	2,732,632	377,098	2,727,149	373,290	2,705,647	21,502	5,483

STATE OF NEW MEXICO
LEA COUNTY
TREASURERS PROPERTY TAX SCHEDULE (CONTINUED)
June 30, 2020

	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Undistr. At Year End	County Receivable At Year-End
STATE OF NEW MEXICO							
2010 - 2018	19,573,751	99,817	19,516,273	123,737	19,471,272	42,669	57,478
2019	3,188,613	3,120,407	3,120,407	2,981,674	2,981,674	138,734	68,206
Total	22,762,364	3,220,224	22,636,680	3,105,411	22,452,946	181,403	125,684
LOVINGTON SCHOOL							
2010 - 2018	25,893,229	145,208	25,817,823	224,119	25,805,838	11,984	75,406
2019	4,520,687	4,397,359	4,397,358	4,324,599	4,324,599	72,759	123,329
Total	30,413,916	4,542,567	30,215,181	4,548,718	30,130,437	84,743	198,735
EUNICE SCHOOL							
2010 - 2018	13,367,418	16,330	13,355,578	140,610	13,351,863	3,713	11,840
2019	2,686,974	2,660,683	2,660,683	2,511,561	2,511,561	149,123	26,291
Total	16,054,392	2,677,013	16,016,261	2,652,171	15,863,424	152,836	38,131
HOBBS SCHOOLS							
2010 - 2018	77,822,084	227,800	77,711,887	480,134	77,684,539	27,346	110,197
2019	11,061,231	10,754,110	10,754,109	10,514,513	10,514,513	239,597	307,122
Total	88,883,315	10,981,910	88,465,996	10,994,647	88,199,052	266,943	417,319
JAL SCHOOLS							
2010 - 2018	7,701,672	180,247	7,558,588	40,640	7,396,481	168,032	143,084
2019	2,711,117	2,687,903	2,687,902	2,635,848	2,635,848	52,055	23,215
Total	10,412,789	2,868,150	10,246,490	2,676,488	10,032,329	220,087	166,299
TATUM SCHOOLS							
2010 - 2018	3,276,088	58,435	3,272,704	64,247	3,269,339	576	3,384
2019	1,194,505	1,171,700	1,171,700	796,453	796,453	375,247	22,805
Total	4,470,593	1,230,135	4,444,404	860,700	4,065,792	375,823	26,189
NONRENDERED							
2010 - 2018	274,798	6,883	274,590	6,872	274,562	28	208
2019	30,833	30,833	30,833	30,822	30,822	11	-
Total	305,631	37,716	305,423	37,694	305,384	39	208
1% ASSESSOR							
2010 - 2018	3,273,626	17,357	3,263,927	22,733	3,257,111	6,816	9,699
2019	553,008	540,728	540,728	516,524	516,524	24,204	12,280
Total	3,826,634	558,085	3,804,655	539,257	3,773,635	31,020	21,979
TOTALS							
2010 - 2018	390,108,224	2,075,987	388,943,362	2,677,492	386,175,166	835,240	1,164,862
2019	65,562,674	64,125,942	64,125,939	61,223,929	61,223,929	2,902,017	1,436,735
GRAND TOTAL	$ 455,670,898	66,201,929	453,069,301	63,901,421	447,399,095	3,737,257	2,601,597

Presumed paid after ten years per Section 7-38-81(C) NMSA 1978

Participants with Lea County	Party Responsible for Operations	Description of Agreement	Dates of Agreement (Approval by DFA)	Total Amount of Project	County Portion	County Contribution FY2020	Audit Responsibility	Fiscal Agent	Government reporting revenues & expenditures
City of Hobbs City of Lovington City of Eunice City of Jal Town of Tatum	Lea County	Created the Lea County Solid Waste Authority to provide landfill and waste management services for the Citizens of Lea County.	04/18/1995 Automatic Renewal	Unknown	N/A	Dumping Fees	Lea County	Lea County	Lea County
City of Hobbs City of Lovington City of Eunice City of Jal Town of Tatum	Lea County	Created the Lea County Water User's Association to enact a water management plan for the Citizens of Lea County	09/23/1997 Automatic Renewal	Unknown	45.8% of funding	1094	Lea County	Lea County	Lea County
City of Hobbs	Both Parties	Cleanup and disposal of trash illegally dumped	11/17/2003	Unknown	25% not to exceed $15,000 without prior consent	None	Both Parties	Both Parties	Both Parties
Hobbs Municipal Schools City of Hobbs New Mexico Junior College City of Lovington Eunice Municipal Schools Tatum Municipal Schools Jal Municipal Schools	All Parties	Cooperative Purchasing	11/17/2003	Unknown	N/A	None	All Parties	All Parties	All Parties
Southeastern New Mexico Council of Governments	Both Parties	Facilitate regional economic development	07/25/2006 Indefinite term	Unknown	N/A	29500	Both Parties	Both Parties	Both Parties

LEA COUNTY NEW MEXICO
MEMORANDUMS OF UNDERSTANDING & JOINT POWERS AGREEMENTS
FISCAL YEAR 2020

Participants with Lea County	Party Responsible for Operations	Description of Agreement	Dates of Agreement (Approval by DFA)	Total Amount of Project	County Portion	County Contribution FY2020	Audit Responsibility	Fiscal Agent	Government reporting revenues & expenditures
City of Hobbs City of Carlsbad County of Eddy	Appointed Board	Created the Eddy Lea Energy Alliance to promote nuclear energy development in Eddy and Lea Counties.	07/29/2006 Termination at the discretion of the contracting parties	Unknown	25% of expenditures	25000	Appointed Board	Lea County	Lea County
City of Hobbs	Lea County	Created the Lea County Communications Authority to provide 911 emergency services for Lea County	01/04/2010; revised 06/02/2017 Indefinite terms	Unknown	50% of operating and capital expenses	1843676	Lea County	Lea County	Lea County
Commissioner of Public Lands	Both Parties	Jointly plan or master plan state trust lands within the County outside of any extra zoning jurisdiction	5/30/2013	Unknown	N/A	N/A	Both Parties	Both Parties	Both Parties
Lea County Communications Authority City of Hobbs City of Lovington City of Jal City of Eunice Town of Tatum	All Parties	Operate and maintain a P25 800MHz radio system	4/18/2016	Unknown	County owned radios	N/A	All Parties	All Parties	All Parties
INTERGOVERNMENTAL AGREEMENTS									
Children's Court 5th Judicial District D.A. Public Defender Lea County Sheriff Lovington School District	All Parties	Establish the Lea County Juvenile Justice Continuum	2/1/2013	Unknown	N/A	N/A	All Parties	All Parties	All Parties

LEA COUNTY NEW MEXICO
MEMORANDUMS OF UNDERSTANDING & JOINT POWERS AGREEMENTS
FISCAL YEAR 2020

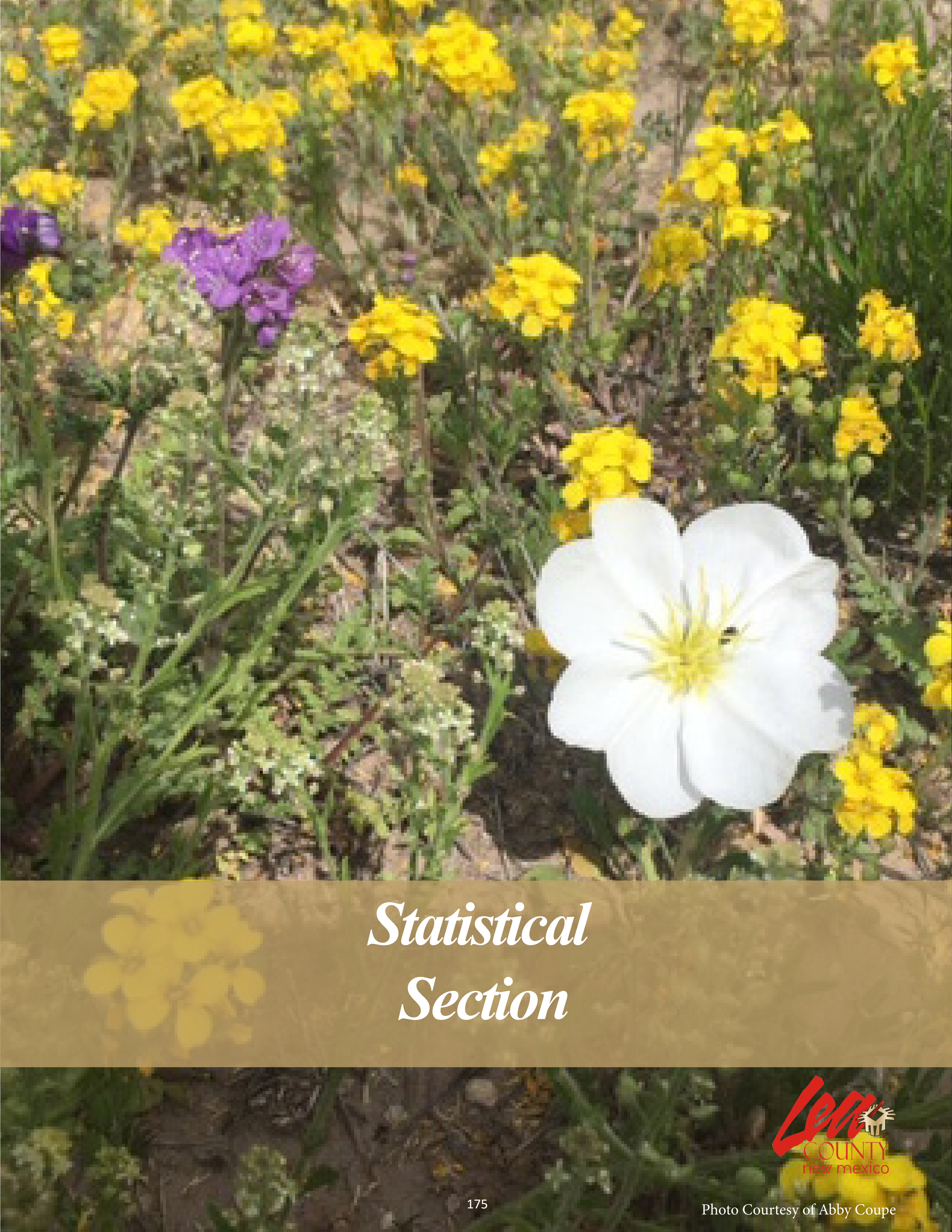
Participants with Lea County	Party Responsible for Operations	Description of Agreement	Dates of Agreement (Approval by DFA)	Total Amount of Project	County Portion	County Contribution FY2020	Audit Responsibility	Fiscal Agent	Government reporting revenues & expenditures
Lovington Municipal Schools	Both Parties	Education services for juvenile offenders	9/17/2020	Unknown	N/A	N/A	Both Parties	Both Parties	Both Parties
United States Marshals Service Fugitive Task Force	Both Parties	Joint effort to investigate and apprehend local, state and federal fugitives	8/13/2020	Unknown	N/A	N/A	Both Parties	Both Parties	Both Parties
Department of Energy Waste Isolation Pilot Plant	Both Parties	Interface and coordination responsibilities for emergency response	4/23/2020	Unknown	N/A	N/A	All Parties	All Parties	All Parties
New Mexico Junior College	NMJC	Provide funding for New Horizons Resources	07/01/2019 Annual Renewal	400000	400000	400000	Both Parties	Both Parties	Both Parties
NMSU Agricultural & Home Extension	NMSU	County Extension Services	07/01/2019 Annual Renewal	108242	1	108242	Both Parties	Both Parties	Both Parties
USDA Soil & Water Conservation	USDA	Soil & Water Conservation	07/01/2019 Annual Renewal	65000	65000	65000	Both Parties	Both Parties	Both Parties
USDA	USDA	Wildlife Control	07/01/2019 Annual Renewal	58500	58500	58500	Both Parties	Both Parties	Both Parties
City of Eunice	Eunice	Waste Hauling Assistance	07/01/2019 Annual Renewal	Unknown	72000	72000	Both Parties	Both Parties	Both Parties
City of Jal	Jal	Waste Hauling Assistance	07/01/2019 Annual Renewal	Unknown	72000	45395	Both Parties	Both Parties	Both Parties
City of Lovington	Lovington	Waste Hauling Assistance	07/01/2019 Annual Renewal	Unknown	72000	72000	Both Parties	Both Parties	Both Parties

LEA COUNTY NEW MEXICO
MEMORANDUMS OF UNDERSTANDING & JOINT POWERS AGREEMENTS
FISCAL YEAR 2020

Participants with Lea County	Party Responsible for Operations	Description of Agreement	Dates of Agreement (Approval by DFA)	Total Amount of Project	County Portion	County Contribution FY2020	Audit Responsibility	Fiscal Agent	Government reporting revenues & expenditures
Town of Tatum	Tatum	Waste Hauling Assistance	07/01/2019 Annual Renewal	Unknown	72000	40464	Both Parties	Both Parties	Both Parties
City of Eunice	Eunice	Assistance for Fire, Ambulance and other services	07/01/2019 Annual Renewal	125000	125000	125000	Both Parties	Both Parties	Both Parties
City of Hobbs	Hobbs	Assistance for Fire, Ambulance and other services	07/01/2019 Annual Renewal	625000	625000	625000	Both Parties	Both Parties	Both Parties
City of Jal	Jal	Assistance for Fire, Ambulance and other services	07/01/2019 Annual Renewal	112500	112500	112500	Both Parties	Both Parties	Both Parties
City of Lovington	Lovington	Assistance for Fire, Ambulance and other services	07/01/2019 Annual Renewal	300000	300000	300000	Both Parties	Both Parties	Both Parties
Town of Tatum	Tatum	Assistance for Fire, Ambulance and other services	07/01/2019 Annual Renewal	87500	87500	87500	Both Parties	Both Parties	Both Parties
City of Lovington	Lovington	Veteran’s Memorial Park		Unknown	236315	236315	Both Parties	Both Parties	Both Parties
City of Hobbs	Lea County	Rent Agreement for the District Attorney’s Office	07/01/2019 Annual Renewal	$84,000 annually plus utilities	1	99557	Both Parties	Both Parties	Both Parties
Nor-Lea Hospital District	Nor-Lea	Medical Services for Lea County Detention Center Detainees	7/1/2019	1300000	1300000	978075	Both Parties	Both Parties	Both Parties

LEA COUNTY NEW MEXICO
MEMORANDUMS OF UNDERSTANDING & JOINT POWERS AGREEMENTS
FISCAL YEAR 2020

Participants with Lea County	Party Responsible for Operations	Description of Agreement	Dates of Agreement (Approval by DFA)	Total Amount of Project	County Portion	County Contribution FY2020	Audit Responsibility	Fiscal Agent	Government reporting revenues & expenditures
City of Eunice	Eunice	Purchase Equipment & Improve Facilities	Amended 07/25/2019	150000	150000	148742	Both Parties	Both Parties	Both Parties
Hobbs Municipal Schools	HMS	Taylor Elementary Playground Project	7/1/2019	81443	40000	40000	Both Parties	Both Parties	Both Parties
City of Hobbs	Hobbs	East Sanger Sewer & Water Project	12/13/2018	430807	94440	94440	Both Parties	Both Parties	Both Parties
Hobbs Municipal Schools	HMS	Career Technical Education Center	6/21/2019	$30 million	945000	945000	Both Parties	Both Parties	Both Parties



Statistical Section

Photo Courtesy of Abby Coupe

LEA COUNTY NEW MEXICO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Primary Government Governmental Activities										
Net investment in capital assets	99,488,703	107,712,350	116,773,950	118,112,044	129,831,669	153,396,604	167,034,485	190,070,323	209,860,508	230,173,938
Restricted	2,018,990	3,829,740	71,283	108,223	179,612	21,613,202	17,732,761	27,255,699	26,154,219	29,971,111
Restricted permanent fund	1,353,125	1,353,125	1,353,125	1,353,125	—	—	—	—	—	—
Unrestricted (deficit)	71,080,749	68,617,598	75,953,492	92,706,203	85,837,057	40,710,467	42,594,459	12,722,166	34,019,020	47,463,545
Total governmental activities net position	173,941,567	181,512,813	194,151,850	212,279,595	215,848,338	215,720,273	227,361,705	230,048,188	270,033,747	307,608,594

LEA COUNTY NEW MEXICO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	21,153,715	27,737,524	24,129,806	27,111,830	35,499,112	21,252,934	22,302,652	18,549,274	18,712,334	25,135,132
Public safety	13,849,426	13,958,529	15,488,604	16,100,559	8,112,584	17,992,983	20,597,132	23,505,422	25,235,684	30,084,368
Culture and recreation	3,073,931	3,872,048	4,978,268	6,102,803	4,533,268	2,047,566	2,230,950	3,150,253	3,349,472	3,397,402
Health and welfare	5,534,408	5,064,828	5,294,354	4,985,881	4,704,778	10,410,992	7,211,055	7,217,969	10,911,550	14,520,642
Public works	968,431	846,127	729,718	722,667	1,742,184	8,197,010	6,890,108	8,083,337	8,514,005	7,787,998
Capital Outlay	—	—	—	—	—	—	27,749	—	792,526	—
Loss on disposition of assets	—	—	—	—	—	457,731	100,229	—	—	—
Interest on long-term debt	549,843	527,968	638,723	196,131	181,498	179,217	150,001	134,901	120,481	150,424
Total governmental activities expenses	45,129,754	52,007,024	51,259,473	55,219,871	54,773,424	60,538,433	59,509,876	60,641,156	67,636,052	81,075,966
Business-type Activities:										
Water service proprietary fund	—	—	—	93,947	17,773	21,958	56,254	79	11,586	1,930
Total Governmental & Business-type activities expense	45,129,754	52,007,024	51,259,473	55,313,818	54,791,197	60,560,391	59,566,130	60,641,235	67,647,638	81,077,896
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	9,159,286	7,098,651	9,611,227	9,949,777	8,981,833	3,442,798	1,059,635	1,075,282	2,101,053	2,154,996
Public Safety	8,079	10,184	5,191	—	1,718	306,116	2,358,188	2,238,491	2,261,738	1,449,685
Culture and recreation	—	—		182,336	—	—	—	1,068,836	315,002	185,369
Health and welfare	—	—		—	—	—	—	—	—	—
Public works	11,188	241,527	438,798	—	212,121	—	—	178,652	209,276	186,036
Operating grants and contributions	2,639,015	3,021,357	2,941,790	2,772,014	3,825,193	4,783,811	5,855,562	6,577,695	5,315,545	—
Capital grants and contributions	891,292	723,157	904,578	268,122	2,560,754	1,916,522	7,431,152	280,647	425,880	1,732,322
Total governmental activities program revenues	12,708,860	11,094,876	13,901,584	13,172,249	15,581,619	10,449,247	16,704,537	11,419,603	10,628,494	5,708,408

LEA COUNTY NEW MEXICO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type Activities:										
Charges for services	—	—	1,413	7,878	4,501	—	—	—	—	—
Operating grants and contributions	—	—	475,000	25,000	—	—	—	—	—	5,883,342
Water service proprietary fund	—	—	476,413	32,878	4,501	—	—	—	—	5,883,342
Net (Expense)/Revenue	(32,420,894)	(40,912,148)	(36,881,476)	(42,108,691)	(39,205,077)	(50,111,144)	(42,861,593)	(49,221,632)	(57,019,144)	(69,486,146)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes (see Schedule 4)										
Property taxes	11,192,869	11,449,078	12,301,844	13,286,760	14,360,743	15,978,645	16,462,835	17,776,009	18,634,296	21,546,626
Gross receipts taxes	10,472,450	12,221,686	13,583,359	15,488,554	18,093,847	10,070,902	10,103,026	15,154,566	22,534,132	23,048,517
Gas/Motor vehicle taxes	315,950	304,340	325,180	308,043	348,811	311,359	359,764	370,488	369,900	263,467
Franchise taxes									—	32,971
Oil & gas taxes	20,182,688	24,202,546	23,038,185	31,072,987	27,438,261	19,597,346	23,101,563	33,731,130	48,706,163	56,997,759
Cigarette taxes									—	—
Payments in lieu of taxes (Note 1)						3,267,767	3,640,614	3,056,061	4,056,216	3,026,191
Loss on defeasance									—	—
Investment earnings (Note 1)						217,366	40,763	123,055	1,947,898	1,508,323
Sale of capital assets	(49,758)	(82,051)	(94,534)	(270,616)	226,535	—	854,460	—	—	—
Miscellaneous	391,583	387,795	366,479	418,383	445,446	539,694	—	675,316	756,098	637,139
Total governmental activities	42,505,782	48,483,394	49,520,513	60,304,111	60,913,643	49,983,079	54,563,025	70,886,625	97,004,703	107,060,993
Transfers to Agency Funds	—	—	—	—	—	—	60,000	—	—	—
Changes in Net Position										
Governmental activities	10,084,888	7,571,246	12,639,037	18,195,420	21,708,566	(128,065)	11,641,432	21,664,993	39,985,559	37,574,847

Note (1) Breakout not available for 2011-2015

Information gathered from the Statement of Activities.

LEA COUNTY NEW MEXICO
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Program Revenues									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Function/Program										
Primary Government Governmental Activities:										
General government	12,146,383	9,922,039	12,678,627	12,030,389	11,729,746	4,895,047	2,365,026	1,717,817	2,765,006	2,765,337
Public safety	693,751	839,428	714,047	942,386	861,799	2,677,705	4,807,925	4,819,210	4,763,116	3,933,371
Culture and recreation	14,355	15,254	14,516	11,526	12,311	15,970	—	1,068,836	415,002	185,369
Health and welfare	—	10,000	—	—	—	—	—	—	—	—
Public works	170,321	612,495	819,574	495,991	3,326,574	3,171,884	9,891,350	4,184,228	3,055,270	4,707,673
Capital Outlay	—	—	—				—	—	—	—
Interest on long-term debt	—	—	—	—	—	—	—	—	—	—
Total governmental activities	13,024,810	11,399,216	14,226,764	13,480,292	15,930,430	10,760,606	17,064,301	11,790,091	10,998,394	11,591,750
Function/Program										
Business-type Activities	—	—	476,413.00	32,878.00	4,501.00	—	—	—	—	—
Total Program Revenues By Function	13,024,810	11,399,216	14,703,177	13,513,170	15,934,931	10,760,606	17,064,301	11,790,091	10,998,394	11,591,750

Information gathered from the Statement of Activities.

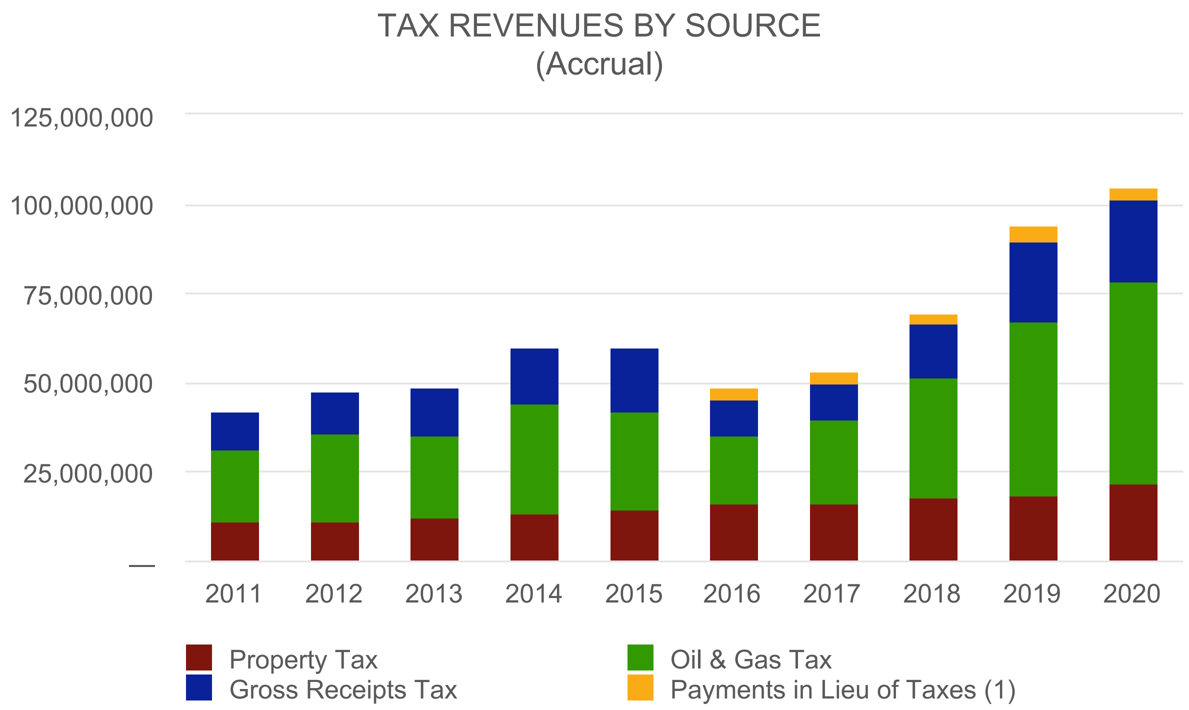
LEA COUNTY NEW MEXICO
REVENUES BY SOURCE
LAST TEN FISCAL YEARS

(accrual basis of accounting)

Fiscal Year	Property Tax	Oil & Gas Tax	Gross Receipts Tax	Payments in Lieu of Taxes (1)	Total Taxes
2011	11,192,869	20,182,688	10,472,450	—	41,848,007
2012	11,449,078	24,202,546	12,221,686	—	47,873,310
2013	12,301,844	23,038,185	13,583,359	—	48,923,388
2014	13,286,760	31,072,987	15,488,554	—	59,848,301
2015	14,360,743	27,438,261	18,093,847	—	59,892,851
2016	15,978,645	19,597,346	10,070,902	3,267,767	48,914,660
2017	16,462,835	23,101,563	10,103,026	3,640,614	53,308,038
2018	17,776,009	33,731,130	15,154,566	3,056,061	69,717,766
2019	18,634,296	48,706,163	22,534,132	4,056,216	93,930,807
2020	21,662,348	56,997,759	23,048,517	3,026,191	104,734,815
Percent Change 2010-2019	93.54%	182.41%	120.09%		150.27%

(1) Breakout not available 2011-2015

Information gathered from the Statement of Activities.



LEA COUNTY NEW MEXICO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary Government:										
General Fund										
Nonspendable									—	—
Restricted					—	7,978,590	7,103,211	7,840,991	9,029,359	9,029,359
Committed	3,229,904	3,502,567	4,384,110	7,375,396	5,935,164				—	—
Assigned	41,310,734	35,462,997	36,408,451	43,947,978	43,674,931	42,517,258	59,179,974		—	—
Unassigned	17,704,600	18,268,817	18,755,869	22,639,868	22,499,207	12,899,246	2,251,878	52,511,554	76,296,265	94,925,623
Total general fund	62,245,238	57,234,381	59,548,430	73,963,242	72,109,302	63,395,094	68,535,063	60,352,545	85,325,624	103,954,982
All other governmental funds										
Nonspendable	—	1,353,125	1,353,125	1,353,125					—	—
Restricted	9,534,056	10,086,995	15,170,328	16,471,419	20,328,831	13,634,612	10,629,550	19414708	17,124,860	20,941,752
Committed	297,207	2,358,258	615,394	536,552	9,454,399	—	—		—	—
Assigned	2,462,643	2,545,332	—	—	264,196	1,140,059	—		—	—
Unassigned (deficit)	(720)	(182,833)	(203)	—	(138,124)	(312,181)	(21,290)	(129,787)	—	—
Total all other governmental funds	12,293,186	16,160,877	17,138,644	18,361,096	29,909,302	14,462,490	10,608,260	19,284,921	17,124,860	20,941,752
Total governmental funds fund balance	74,538,424	73,395,258	76,687,074	92,324,338	102,018,604	77,857,584	79,143,323	79,637,466	102,450,484	124,896,734

Information gathered from the Balance Sheets - Governmental Funds. (Major Funds Balance Sheet)

SCHEDULE 6

LEA COUNTY NEW MEXICO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property, sales, and miscellaneous taxes	40,906,318	46,786,728	47,866,522	58,808,460	58,888,922	45,644,492	49,463,435	66,580,156	89,964,428	101,439,287
Payment in lieu of taxes			—	—	—	3,267,767	3,640,614	3,056,061	4,056,216	3,026,191
Licenses and permits	350,954	560,635	646,441	708,096	963,352	143,733	359,680	340,286	187,393	179,831
Intergovernmental:										
Federal	6,649,787	3,525,488	4,147,118	2,813,181	5,414,092	2,684,440	7,709,001	3,353,010	1,845,488	2,886,352
State		981,009	1,233,767	1,767,863	2,171,512	4,015,893	5,577,713	3,505,332	3,895,937	4,729,312
Charges for services	3,186,522	2,773,647	3,676,149	3,304,851	3,357,304	4,060,273	3,777,587	4,931,749	5,256,969	3,976,086
Investment Earnings	555,809	381,830	427,108	515,110	538,025	217,366	40,763	123,055	1,947,898	1,508,323
Miscellaneous	5,646,190	4,162,039	5,901,743	6,154,182	4,919,276	395,961	541,034	753,745	865,668	940,138
Total revenues	57,295,580	59,171,376	63,898,848	74,071,743	76,252,483	60,429,925	71,109,827	82,643,394	108,019,997	118,685,520
Expenditures										
General government	23,335,316	20,907,153	20,402,829	21,388,999	28,235,434	19,137,935	18,704,689	14,663,575	13,985,500	20,203,716
Public safety	11,977,713	11,772,525	13,746,029	14,168,805	6,101,169	17,522,978	17,911,214	21,285,001	22,362,144	25,194,804
Culture and recreation	2,454,783	3,336,501	4,402,910	5,293,398	4,193,046	2,039,046	2,222,430	3,150,253	3,338,776	3,379,221
Health and welfare	5,533,976	3,727,007	5,621,812	4,930,881	8,894,430	10,417,007	6,928,601	6,996,124	10,621,975	13,900,835
Public works	6,035,798	5,335,932	7,854,671	5,288,394	11,115,280	6,270,880	4,849,178	5,893,882	5,842,449	4,307,717
Capital outlay	8,306,464	14,062,456	5,747,609	6,186,871	5,026,360	28,331,517	19,328,257	29,289,204	28,180,654	24,217,513
Debt service										
Principal	625,000	645,000	1,965,000	680,000	695,000	737,060	720,000	735,000	755,000	4,875,000
Interest	549,843	527,968	622,673	196,131	181,498	166,582	151,285	136,212	120,481	160,464
Issuance costs									—	—
Refunding									—	—
Interest expense	—	—	—	—	—	—	—	—	—	—
Total expenditures	58,818,893	60,314,542	60,363,533	58,133,479	64,442,217	84,623,005	70,815,654	82,149,251	85,206,979	96,239,270
Excess of revenues over (under) expenditures	(1,523,313)	(1,143,166)	3,535,315	15,938,264	11,810,266	(24,193,080)	294,173	494,143	22,813,018	22,446,250

LEA COUNTY NEW MEXICO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Bonds/debt issued/proceeds of refunding			10,000,000			32,060			—	—
Bond premium (discount)									—	—
Payment to refunding bond escrow agent			(10,000,000)						—	—
Capital lease issuance									—	
Bond defeasance									—	
Transfers in	3,459,212	6,862,186	10,413,209	6,028,448	16,844,078	48,400,654	26,958,598	47,720,888	39,479,029	35,322,705
Transfers out	(3,459,212)	(6,862,186)	(10,656,709)	(6,329,448)	(18,960,078)	(48,400,654)	(25,967,032)	(47,720,888)	(39,479,029)	(35,322,705)
Total other financing sources (uses)	—	—	(243,500)	(301,000)	(2,116,000)	32,060	991,566	—	—	—
Net changes in fund balances	(1,523,313)	(1,143,166)	3,291,815	15,637,264	9,694,266	(24,161,020)	1,285,739	494,143	22,813,018	22,446,250
Debt service as a percentage of										
noncapital expenditures (2)	—	—	—	—	—	—	—	—	—	—

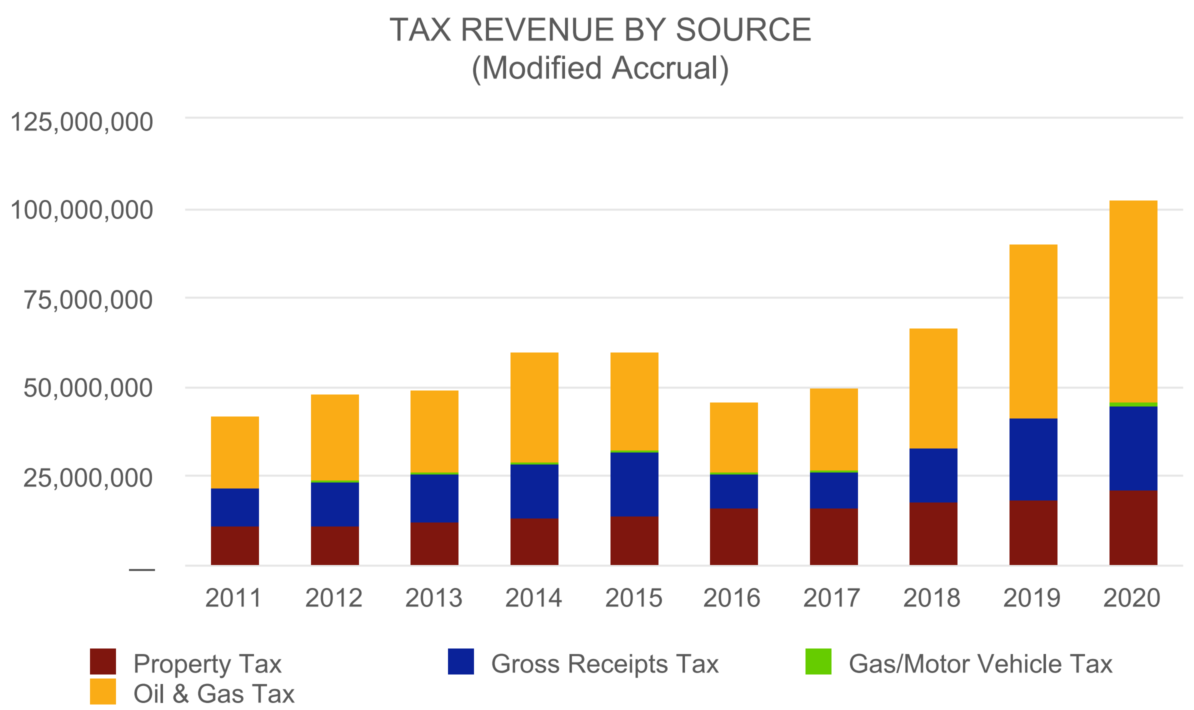
(1) The capital outlay listed above is adjusted in the government-wide statement of activities for the following variances: donated assets, depreciation expense, gain or loss on disposal of assets, and capital outlay classified as operating expenditures on the fund financial statements.

(2) The debt service as a percentage of noncapital expenditures formula for fiscal years 2006-2011 was updated to reflect only the capitalized capital outlay reported in the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

LEA COUNTY NEW MEXICO
TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Fiscal Year	Property Tax	Gross Receipts Tax	Gas/Motor Vehicle Tax	Oil & Gas Tax	Total Taxes
2011	11,270,610	10,472,450	315,950	20,182,688	42,241,698
2012	11,406,424	12,221,686	307,340	24,202,546	48,137,996
2013	12,238,175	13,583,359	325,180	23,038,185	49,184,899
2014	13,360,897	15,488,554	308,043	31,072,987	60,230,481
2015	14,009,757	18,093,847	348,811	27,438,261	59,890,676
2016	15,976,244	10,070,902	311,359	19,597,346	45,955,851
2017	16,258,846	10,103,026	359,764	23,101,563	49,823,199
2018	17,694,460	15,154,566	370,488	33,731,130	66,950,644
2019	18,724,133	22,534,132	369,900	48,706,163	90,334,328
2020	21,546,626	23,048,517	263,467	56,997,759	101,856,369
Percent Change 2010-2019	91.18%	120.09%	-16.61%	182.41%	141.13%



LEA COUNTY NEW MEXICO
GROSS RECEIPTS TAX REVENUE BY INDUSTRY
LAST TEN FISCAL YEARS

Matched Taxable Gross Receipts for the County By Major Industrial Classifications

Fiscal Year Ending 6/30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Agriculture, Forestry, Fishing and Hunting	$ 2,511,258	$ 3,569,932	$ 4,397,523	$ 7,368,247	$ 7,304,153	$ 10,236,174	$ 13,559,567	$ 14,651,530	$ 10,302,683	$ 8,790,974
Mining and Oil and Gas Extraction	851,890,228	1,192,832,081	1,325,500,930	1,584,510,770	1,972,342,583	940,421,594	968,344,203	1,717,141,243	2,628,114,774	2,468,561,866
Utilities	174,290,966	176,831,168	184,184,706	219,986,388	244,685,038	224,098,373	230,210,905	253,629,078	294,993,221	299,472,832
Construction	510,174,986	455,115,143	443,247,948	566,486,057	919,665,762	577,075,203	528,528,008	612,267,891	871,358,415	945,814,821
Manufacturing	143,613,712	274,916,578	309,216,417	410,409,294	397,346,079	174,188,366	101,127,401	166,852,469	241,972,706	228,877,718
Wholesale Trade	215,295,336	274,461,384	318,498,845	335,742,058	347,979,198	211,069,590	241,231,793	366,952,809	435,458,394	377,837,008
Retail Trade	527,819,359	623,355,739	679,351,375	683,958,893	731,090,746	562,251,501	526,291,129	771,162,209	944,612,144	926,500,773
Transportation and Warehousing	92,828,415	115,001,331	161,159,604	190,160,254	218,724,193	130,938,060	99,629,396	149,217,454	245,353,436	205,718,036
Information and Cultural Industries	58,208,649	68,334,376	75,701,931	88,321,730	92,424,867	87,938,635	87,222,985	89,018,114	95,942,518	104,583,465
Finance and Insurance	4,685,077	5,425,721	7,516,098	7,634,163	8,103,089	7,460,754	7,818,890	8,032,460	8,711,663	9,175,962
Real Estate and Rental and Leasing	40,115,856	62,135,205	79,284,473	93,996,093	109,635,803	74,975,037	84,410,619	156,036,199	200,140,813	189,502,779
Professional, Scientific and Technical Services	109,547,309	109,278,852	122,397,607	132,237,309	148,527,368	100,869,094	111,859,960	121,093,051	163,248,677	169,563,034
Admin and Support, Waste Mgt and Remed	56,130,750	(15,388,075)	73,285,471	51,437,518	58,450,816	46,061,550	51,009,557	89,822,974	101,116,857	111,901,879
Educational Services	485,264	65,386	208,885	533,771	583,800	712,847	755,160	1,046,745	1,110,320	1,000,714
Health Care and Social Assistance	72,872,059	72,960,327	69,440,341	65,686,208	73,852,181	17,600,472	65,580,278	75,166,530	83,205,587	72,922,677
Arts, Entertainment and Recreation	4,384,281	7,077,608	5,450,461	5,661,597	12,206,135	7,595,475	8,018,476	8,963,359	8,024,025	4,965,875
Accommodation and Food Services	95,685,063	115,079,893	124,619,807	131,331,067	156,190,917	123,729,727	123,159,563	161,701,766	194,453,199	163,645,831
Other Services (except Public Admin)	356,733,372	399,365,581	405,261,064	404,352,485	426,269,468	268,407,961	241,278,839	333,885,089	428,813,321	403,627,843
Public Administration	1,889,873	1,339,980	2,200,362	36,665	75,937	138,365	85,513	223,197	658,399	593,894

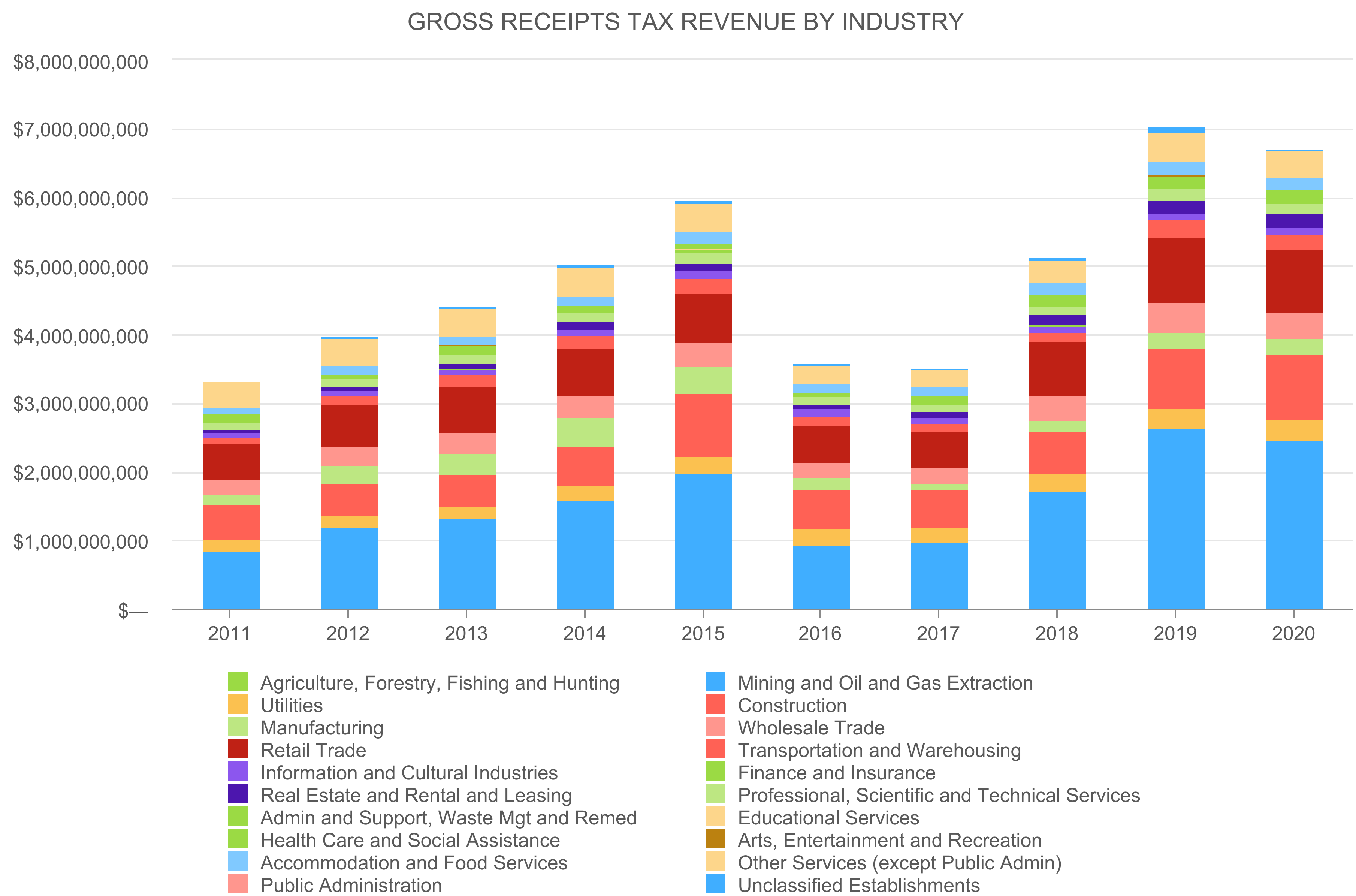
LEA COUNTY NEW MEXICO
GROSS RECEIPTS TAX REVENUE BY INDUSTRY
LAST TEN FISCAL YEARS

Fiscal Year Ending 6/30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Unclassified Establishments	6,100,996	10,106,337	17,529,271	45,162,620	38,963,263	22,186,762	27,613,643	50,151,743	78,765,213	25,404,313
Total (1)	$3,325,262,809	$3,951,864,547	$4,408,453,119	$5,025,013,187	$5,964,421,396	$3,587,955,540	$3,517,735,885	$5,147,015,910	$7,036,356,365	$6,718,462,294
County Direct GRT Rate as of 06/30	0.3750%	0.3750%	0.3750%	0.3750%	0.3750%	0.3750%	0.3750%	0.3750%	0.3750%	0.3750%

(1) These figures are annual totals taken from the "RP-500 - Monthly Local Government Distribution Reports by Standard Industrial Classification". These totals are for the actual business activity months in the fiscal year which differs from the month that the tax distribution is received. Also, the State suppresses revenue information in certain categories if the release of information would compromise the confidentiality of an individual taxpayer. Accordingly, the taxable gross receipts totals in this table will differ from those in the prior table.

Source: State of New Mexico, Taxation and Revenue Department (derived from Report RP-500)

LEA COUNTY NEW MEXICO
GROSS RECEIPTS TAX REVENUE BY INDUSTRY
LAST TEN FISCAL YEARS



LEA COUNTY NEW MEXICO
DIRECT AND OVERLAPPING GROSS RECEIPT TAX RATES
LAST TEN FISCAL YEARS

LEA COUNTY (06-006)

Fiscal Year	State GRT	County Direct Rate	County Unincor-porated Rate	Total LC GRT
2011	5.1250%	0.2500%	0.1250%	5.5000%
2012	5.1250%	0.2500%	0.1250%	5.5000%
2013	5.1250%	0.2500%	0.1250%	5.5000%
2014	5.1250%	0.2500%	0.1250%	5.5000%
2015	5.1250%	0.2500%	0.1250%	5.5000%
2016	5.1250%	0.2500%	0.1250%	5.5000%
2017	5.1250%	0.2500%	0.1250%	5.5000%
2018	5.1250%	0.2500%	0.1250%	5.5000%
2019	5.1250%	0.2500%	0.1250%	5.5000%
2020	5.1250%	0.2500%	0.1250%	5.5000%

CITY OF HOBBS (HOB)

Fiscal Year	State GRT	HOB Share of State GRT	HOB Direct Rate	Lea County	Total HOB GRT
2011	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2012	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2013	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2014	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2015	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2016	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2017	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2018	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2019	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2020	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%

CITY OF EUNICE (EU)

Fiscal Year	State GRT	EU Share of State GRT	EU Direct Rate	Lea County	Total EU GRT
2011	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2012	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2013	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2014	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2015	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2016	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2017*	3.9000%	1.2250%	1.9375%	0.2500%	7.3125%
2018	3.9000%	1.2250%	1.9375%	0.2500%	7.3125%
2019	3.9000%	1.2250%	1.9375%	0.2500%	7.3125%
2020	3.9000%	1.2250%	1.9375%	0.2500%	7.3125%

CITY OF LOVINGTON (LOV)

Fiscal Year	State GRT	LOV Share of State GRT	LOV Direct Rate	Lea County	Total LOV GRT
2011	3.9000%	1.2250%	1.5000%	0.2500%	6.8750%
2012	3.9000%	1.2250%	1.5000%	0.2500%	6.8750%
2013	3.9000%	1.2250%	1.5000%	0.2500%	6.8750%
2014	3.9000%	1.2250%	1.5000%	0.2500%	6.8750%
2015**	3.9000%	1.2250%	1.8750%	0.2500%	7.2500%
2016	3.9000%	1.2250%	1.8750%	0.2500%	7.2500%
2017	3.9000%	1.2250%	1.8750%	0.2500%	7.2500%
2018	3.9000%	1.2250%	1.8750%	0.2500%	7.2500%
2019	3.9000%	1.2250%	1.8750%	0.2500%	7.2500%
2020	3.9000%	1.2250%	1.8750%	0.2500%	7.2500%

LEA COUNTY NEW MEXICO
DIRECT AND OVERLAPPING GROSS RECEIPT TAX RATES
LAST TEN FISCAL YEARS

LOVINGTON INDUSTRIAL PARK (LIP)

Fiscal Year	State GRT	LIP Share of State GRT	LIP Direct Rate	Lea County	Total LIP GRT
2011	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2012	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2013	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2014	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2015	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2016	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2017	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2018	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2019	3.9000%	1.2250%	0.0000%	0.3750%	5.5000%
2020	3.9000%	1.2250%	0.1250%	0.2500%	5.5000%

TOWN OF JAL (JAL)

Fiscal Year	State GRT	JAL Share of State GRT	JAL Direct Rate	Lea County	Total JAL GRT
2011	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2012***	3.9000%	1.2250%	1.6875%	0.2500%	7.0625%
2013	3.9000%	1.2250%	1.6875%	0.2500%	7.0625%
2014	3.9000%	1.2250%	1.6875%	0.2500%	7.0625%
2015	3.9000%	1.2250%	1.6875%	0.2500%	7.0625%
2016	3.9000%	1.2250%	1.6875%	0.2500%	7.0625%
2017	3.9000%	1.2250%	1.6875%	0.2500%	7.0625%
2018	3.9000%	1.2250%	1.6875%	0.2500%	7.0625%
2019	3.9000%	1.2250%	2.0625%	0.2500%	7.4375%
2020	3.9000%	1.2250%	2.0625%	0.2500%	7.4375%

TATUM (TAT)

Fiscal Year	State GRT	TAT Share of State GRT	TAT Direct Rate	Lea County	Total TAT GRT
2011	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2012	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2013	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2014	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2015	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2016	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2017	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2018	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2019	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%
2020	3.9000%	1.2250%	1.4375%	0.2500%	6.8125%

* Local option taxes increase effective January 1, 2017
** Local option taxes increase effective January 1, 2015
*** Local option taxes increase effective January 1, 2012
**** Local option taxes increase effective January 1, 2018

Source: State of New Mexico Taxation and Revenue

LEA COUNTY NEW MEXICO
GROSS RECEIPTS TAX REVENUE PAYERS BY INDUSTRY
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2020				Fiscal Year 2011			
Fiscal Year Ending 6/30	Number of Filers	Percentage of Total Filers	Taxable Gross Receipts	Percentage of Taxable Gross Receipts	Number of Filers	Percentage of Total Filers	Taxable Gross Receipts	Percentage of Taxable Gross Receipts
Agriculture, Forestry, Fishing and Hunting	197	0.37%	$8,790,974	0.13%	217	0.63%	$2,511,258	0.08%
Mining and Oil and Gas Extraction	6,309	11.63%	2,468,561,866	36.74%	2,669	7.65%	851,890,228	25.62%
Utilities	410	0.75%	299,472,832	4.46%	201	0.58%	174,290,966	5.24%
Construction	4,831	8.90%	945,814,821	14.08%	3,453	9.88%	510,174,986	15.34%
Manufacturing	3,130	5.76%	228,877,718	3.41%	1,355	3.88%	143,613,712	4.32%
Wholesale Trade	3,751	6.91%	377,837,008	5.62%	1,844	5.28%	215,295,336	6.47%
Retail Trade	9,082	16.72%	926,500,773	13.79%	6,666	19.08%	527,819,359	15.87%
Transportation and Warehousing	3,102	5.71%	205,718,036	3.06%	1,245	3.56%	92,828,415	2.79%
Information and Cultural Industries	1,954	3.60%	104,583,465	1.56%	976	2.79%	58,208,649	1.75%
Finance and Insurance	466	0.86%	9,175,962	0.14%	308	0.88%	4,685,077	0.14%
Real Estate and Rental and Leasing	2,821	5.19%	189,502,779	2.82%	1,127	3.23%	40,115,856	1.21%
Professional, Scientific and Technical Services	3,932	7.24%	169,563,034	2.52%	2,076	5.94%	109,547,309	3.29%
Admin and Support, Waste Mgt and Remed	1,997	3.68%	111,901,879	1.67%	684	1.96%	56,130,750	1.69%
Educational Services	247	0.45%	1,000,714	0.01%	67	0.19%	485,264	0.01%
Health Care and Social Assistance	1,210	2.23%	72,922,677	1.09%	1,129	3.23%	72,872,059	2.19%
Arts, Entertainment and Recreation	89	0.16%	4,965,875	0.07%	119	0.34%	4,384,281	0.13%
Accommodation and Food Services	2,214	4.08%	163,645,831	2.44%	1,840	5.27%	95,685,063	2.88%
Other Services (except Public Admin)	7,650	14.09%	403,627,843	6.01%	8,680	24.84%	356,733,372	10.73%
Public Administration	31	0.06%	593,894	0.01%	25	0.07%	1,889,873	0.06%
Unclassified Establishments	882	1.62%	25,404,313	0.38%	257	0.74%	6,100,996	0.18%
Total (1)	54,305	100.00%	$6,718,462,295	100.00%	34,938	100.00%	$3,325,262,808	100.00%

(1) These figures are annual totals taken from the "RP-500 - Monthly Local Government Distribution Reports by Standard Industrial Classification". These totals are for the actual business activity months in the fiscal year which differs from the month that the tax distribution is received. Also, the State suppresses revenue information in certain categories if the release of information would compromise the confidentiality of an individual taxpayer. Accordingly, the taxable gross receipts totals in this table will differ from those in the prior table.

Source: State of New Mexico, Taxation and Revenue Department (derived from Report RP-550).

LEA COUNTY NEW MEXICO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	Real Property		Personal Property			Oil & Gas				
Fiscal Year Ended June 30	Residential Property	Non-Residential Property	Personal Property	Agricultural	Mobile Homes	Production	Equipment	Less: Tax-Exempt Property	Adjustment For Protested Taxes To Date	Total Taxable Assessed Value (1)
2011	386,972,168	634,542,497	68,281,066	**	24,091,716	1,277,872,442	249,293,733	57,818,914	1,615,721	2,584,850,429
2012	402,945,742	741,635,207	71,375,670	**	25,491,105	1,593,608,130	317,913,833	57,633,377		3,095,336,310
2013	418,035,887	221,459,491	82,778,047	**	28,215,197	1,880,085,224	375,736,964	59,877,860	593,391,969	3,539,824,919
2014	440,507,004	872,113,348	84,708,745	**	32,069,773	1,837,287,307	360,675,113	60,694,079		3,566,667,211
2015	477,536,350	965,520,933	87,813,417	**	36,465,393	2,237,755,897	445,096,919	60,778,728		4,189,410,181
2016	506,735,277	1,108,398,782	107,266,207	**	40,868,018	2,540,883,533	510,216,626	60,760,888		4,753,607,555
2017	553,073,187	1,118,978,036	106,728,898	**	44,057,893	1,624,198,949	329,322,764	61,286,686	(7,006,858)	3,708,066,183
2018	581,823,285	1,096,347,044	112,420,928	**	44,697,013	1,509,861,815	311,304,405	60,945,473		3,595,509,017
2019	601,865,443	1,250,225,165	113,527,559	**	44,106,001	2,357,835,690	68,179,015	60,462,816	489,771,714	4,865,047,771
2020	627,492,432	1,469,321,834	133,427,801	**	45,711,133	3,926,179,876	926,353,025	60,239,468	(808,106)	7,067,438,527

Fiscal Year Ended June 30	Total Residential Direct Tax Rate	Total Nonresidential Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percentage of Actual Value
2011	7.844	10.600	7,762,313,601	33.3%
2012	7.733	10.600	9,295,304,234	33.3%
2013	7.734	10.600	10,630,104,862	33.3%
2014	7.580	10.600	10,710,712,345	33.3%
2015	7.318	10.600	12,580,811,354	33.3%
2016	7.119	10.600	14,275,097,763	33.3%
2017	6.947	10.600	11,135,333,883	33.3%
2018	6.916	10.600	10,797,324,375	33.3%
2019	7.041	10.600	14,609,753,066	33.3%
2020	7.110	10.600	21,223,539,120	33.3%

(1) Taxable assessed values are established by the Lea County Assessor for locally assessed property, and by the State of New Mexico Taxation and Revenue Department, Audit and Compliance Division (oil and gas equipment and production), and Property Tax Division (state assessed property).

Note: Total taxable assessed value is calculated as 1/3rd of estimated actual value. For additional information, refer to Note 4 - Property Taxes in the Notes to Financial Statements.

**The Personal Property - Non-Residential Agriculture is included in the Personal Property total per the Assessor's Office

LEA COUNTY NEW MEXICO
RESIDENTIAL PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct Rate									
Lea County									
Operating Millage	7.734	7.580	1.360	7.119	6.947	6.916	7.041	7.110	7.099
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total County Millage	7.734	7.580	1.360	7.119	6.947	6.916	7.041	7.110	7.099
Overlapping Rates									
City of Lovington									
Operating Millage	4.324	4.199	3.998	3.853	3.709	3.699	3.733	3.800	3.759
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total City Millage	4.324	4.199	3.998	3.853	3.709	3.699	3.733	3.800	3.759
City of Eunice									
Operating Millage	6.156	6.018	5.791	5.629	5.428	5.359	5.405	5.467	5.419
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total City Millage	6.156	6.018	5.791	5.629	5.428	5.359	5.405	5.467	5.419
City of Hobbs									
Operating Millage	4.309	4.221	4.096	3.994	3.918	3.900	3.984	4.014	4.022
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total City Millage	4.309	4.221	4.096	3.994	3.918	3.900	3.984	4.014	4.022
City of Jal									
Operating Millage	6.675	6.468	6.266	6.036	5.830	5.816	5.893	5.820	5.722
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Town Millage	6.675	6.468	6.266	6.036	5.830	5.816	5.893	5.820	5.722
Town of Tatum									
Operating Millage	3.411	3.371	3.244	3.154	3.078	3.090	3.126	3.100	3.113
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total School Millage	3.411	3.371	3.244	3.154	3.078	3.090	3.126	3.100	3.113
Lovington Schools									
Operating Millage	0.266	0.259	0.248	0.239	0.231	0.230	0.232	0.236	0.235
Capital Improvements	3.861	3.934	3.759	3.844	3.711	3.924	3.944	4.000	3.974
Debt Service Millage	2.160	2.797	0.000	6.804	7.248	7.205	7.205	6.351	7.223
Total School Millage	6.287	6.990	4.007	10.887	11.190	11.359	11.381	10.587	11.432
Eunice Schools									
Operating Millage	0.295	0.289	0.279	0.272	0.260	0.258	0.262	0.266	0.264
Capital Improvements	3.778	3.702	3.574	3.482	8.000	7.929	8.000	8.000	3.984
Debt Service Millage	4.496	5.647	4.327	3.484	6.387	6.337	5.933	5.721	7.517
Total School Millage	8.569	9.638	8.180	7.238	14.647	14.524	14.195	13.987	11.765

LEA COUNTY NEW MEXICO
RESIDENTIAL PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hobbs Schools									
Operating Millage	0.279	0.274	0.265	0.258	0.253	0.252	0.257	0.259	0.259
Capital Improvements	5.734	5.632	5.452	6.000	5.880	5.852	5.973	6.000	6.000
Debt Service Millage	2.177	2.940	3.117	3.981	6.845	5.816	3.918	4.043	4.512
Total School Millage	8.190	8.846	8.834	10.239	12.978	11.920	10.148	10.302	10.771
Jal Schools									
Operating Millage	0.435	0.422	0.410	0.396	0.383	0.382	0.386	0.382	0.375
Capital Improvements	1.985	1.927	1.872	1.807	1.748	2.000	1.878	1.978	1.941
Debt Service Millage	0.000	0.000	0.000	2.642	3.619	3.626	4.724	3.624	3.625
Total School Millage	2.420	2.349	2.282	4.845	5.750	6.008	6.988	5.984	5.941
Tatum Schools									
Operating Millage	0.258	0.254	0.247	0.241	0.233	0.234	0.238	0.239	0.240
Capital Improvements	1.950	2.000	1.945	1.904	1.840	1.849	1.878	2.000	2.000
Debt Service Millage	2.968	3.270	3.239	3.389	5.902	5.165	4.724	4.734	4.754
Total School Millage	5.176	5.524	5.431	5.534	7.975	7.248	6.840	6.973	6.994
New Mexico Junior College									
Operating Millage	3.941	3.862	3.729	3.628	3.540	3.524	3.588	3.623	3.618
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total School Millage	3.941	3.862	3.729	3.628	3.540	3.524	3.588	3.623	3.618
Nor-Lea Hospital District									
Operating Millage	3.977	4.000	3.828	4.000	3.861	4.000	4.000	4.000	3.977
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total School Millage	3.977	4.000	3.828	4.000	3.861	4.000	4.000	4.000	3.977
Eunice Hospital District									
Operating Millage	1.973	1.933	1.866	2.000	1.917	1.900	1.930	2.000	1.984
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total School Millage	1.973	1.933	1.866	2.000	1.917	1.900	1.930	2.000	1.984
State of New Mexico									
Operating Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Debt Service Millage	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360
Total School Millage	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360

Note: The Lea County Commission can impose a maximum of 11.85 mills for operating purposes. The yield control formula provides that no operating tax rate established by the Department of Finance and Administration, Department of Education and Commission on Higher Education on residential and nonresidential property by governmental unit shall produce revenue in excess of 5% from one year to the next solely as a consequence of property reappraisal.

LEA COUNTY NEW MEXICO
NON-RESIDENTIAL PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct Rate										
Lea County										
Operating Millage	10.600	10.600	10.600	10.600	10.600	10.6	10.600	10.600	10.600	10.600
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total County Millage	10.600	10.600	10.600	10.600	10.600	10.600	10.600	10.600	10.600	10.600
Overlapping Rates										
City of Lovington										
Operating Millage	5.650	5.650	5.650	5.650	5.617	5.650	5.650	5.650	5.650	5.650
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total City Millage	5.650	5.650	5.650	5.650	5.617	5.650	5.650	5.650	5.650	5.650
City of Eunice										
Operating Millage	7.650	7.650	7.650	7.650	7.228	7.251	7.650	7.650	7.650	7.650
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total City Millage	7.650	7.650	7.650	7.650	7.228	7.251	7.650	7.650	7.650	7.650
City of Hobbs										
Operating Millage	5.152	5.418	5.408	5.555	5.555	5.555	5.555	5.555	5.555	5.555
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total City Millage	5.152	5.418	5.408	5.555	5.555	5.555	5.555	5.555	5.555	5.555
City of Jal										
Operating Millage	6.730	7.650	7.650	7.650	7.650	7.639	7.650	7.650	7.650	7.650
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Town Millage	6.730	7.650	7.650	7.650	7.650	7.639	7.650	7.650	7.650	7.650
Town of Tatum										
Operating Millage	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total School Millage	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
Lovington Schools										
Operating Millage	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Capital Improvements	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Debt Service Millage	2.694	2.160	2.797	4.179	6.804	7.248	7.205	7.205	7.212	7.223
Total School Millage	7.194	6.660	7.297	8.679	11.304	11.748	11.705	11.705	11.712	11.723
Eunice Schools										
Operating Millage	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Capital Improvements	4.000	4.000	4.000	4.000	4.000	8.000	8.000	8.000	8.000	4.000
Debt Service Millage	5.138	4.496	5.647	4.327	3.484	6.387	6.337	5.933	5.721	7.517
Total School Millage	9.638	8.996	10.147	8.827	7.984	14.887	14.837	14.433	14.221	12.017

LEA COUNTY NEW MEXICO
NON-RESIDENTIAL PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hobbs Schools										
Operating Millage	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Capital Improvements	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
Debt Service Millage	2.846	2.177	2.940	3.117	3.981	6.845	5.816	3.918	4.043	4.512
Total School Millage	9.346	8.677	9.440	9.617	10.481	13.345	12.316	10.418	10.543	11.012
Jal Schools										
Operating Millage	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Capital Improvements	0.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Debt Service Millage	2.000	0.000	0.000	0.000	2.642	3.619	3.626	4.724	3.624	3.625
Total School Millage	2.500	2.500	2.500	2.500	5.142	6.119	6.126	7.224	6.124	6.125
Tatum Schools										
Operating Millage	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Capital Improvements	2.000	2.000	2.000	2.000	2.000	1.999	2.000	2.000	2.000	2.000
Debt Service Millage	2.915	2.968	3.270	3.239	3.389	5.902	5.165	4.724	4.734	4.754
Total School Millage	5.415	5.468	5.770	5.739	5.889	8.401	7.665	7.224	7.234	7.254
New Mexico Junior College										
Operating Millage	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total School Millage	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Nor-Lea Hospital District										
Operating Millage	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total School Millage	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Eunice Hospital District										
Operating Millage	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Debt Service Millage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total School Millage	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
State of New Mexico										
Operating Millage	0.000	1.360	1.360	1.360	0.000	0.000	0.000	0.000	0.000	0.000
Debt Service Millage	1.362	0.000	0.000	0.000	1.360	1.360	1.360	1.360	1.360	1.360
Total School Millage	1.362	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360

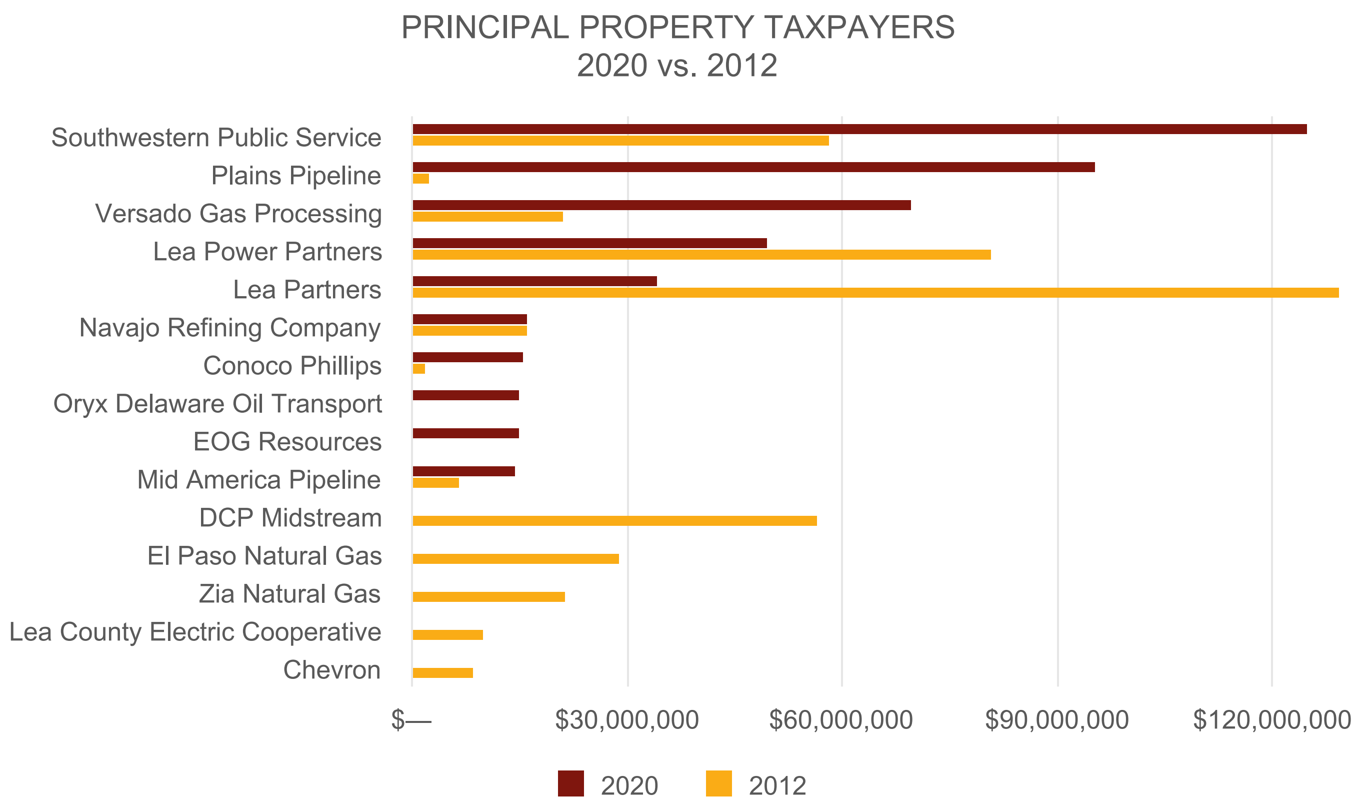
Note: The Lea County Commission can impose a maximum of 11.85 mills for operating purposes. The yield control formula provides that no operating tax rate established by the Department of Finance and Administration, Department of Education and Commission on Higher Education on residential and nonresidential property by governmental unit shall produce revenue in excess of 5% from one year to the next solely as a consequence of property reappraisal.

LEA COUNTY NEW MEXICO
NON-RESIDENTIAL PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	2020			2012		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southwestern Public Service	$ 124,965,362	1	4.5 %	$ 58,222,768	3	4.9 %
Plains Pipeline	95,475,155	2	3.4 %	2,604,990		0.2 %
Versado Gas Processing	69,686,431	3		21,089,444	7	1.8 %
Lea Power Partners	49,608,750	4	1.8 %	81,000,000	2	6.9 %
Lea Partners	34,177,983	5	1.2 %	129,396,166	1	11.0 %
Navajo Refining Company	16,129,237	6	0.6 %	16,128,066	8	1.4 %
Conoco Phillips	15,606,166	7	0.6 %	1,968,842		0.2 %
Oryx Delaware Oil Transport	15,061,849	8	0.5 %	—		— %
EOG Resources	14,932,619	9	0.5 %	—		— %
Mid America Pipeline	14,578,150	10	0.5 %	6,651,656		0.6 %
DCP Midstream				56,666,810	4	4.8 %
El Paso Natural Gas				29,150,982	5	2.5 %
Zia Natural Gas				21,556,922	6	1.8 %
Lea County Electric Cooperative				10,041,117	9	0.9 %
Chevron				8,769,014	10	0.7 %
Totals	$ 450,221,702		13.6 %	$ 443,246,777		37.6 %

Source: Lea County County Assessor's Office

LEA COUNTY NEW MEXICO
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND EIGHT YEARS AGO



LEA COUNTY NEW MEXICO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

				Collected within the Fiscal Year of the Levy			Total Collections to Date		
Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections (Refunds) in Subsequent Years	Amount	Percentage of Adjusted Levy	Uncollected Taxes
2011	$ 29,715,581	720,970	$ 30,436,551	$ 31,705,400	104.17 %	(1,273,189)	$ 30,432,211	99.99 %	$ 4,340
2012	32,234,803	(1,681,245)	30,553,558	31,791,348	104.05 %	(1,242,981)	30,548,367	99.98 %	5,191
2013	34,159,959	(1,798,421)	32,361,538	33,328,246	102.99 %	(972,876)	32,355,370	99.98 %	6,167
2014	37,228,570	(1,530,142)	35,698,428	36,894,161	103.35 %	(1,203,375)	35,690,785	99.98 %	7,643
2015	41,083,147	(1,774,522)	39,308,626	39,900,878	101.51 %	(602,191)	39,298,688	99.97 %	9,938
2016	48,682,807	(2,016,861)	46,665,946	47,689,771	102.19 %	(1,082,805)	46,606,966	99.87 %	58,980
2017	54,314,143	(1,943,893)	52,370,250	50,289,565	96.03 %	1,438,384	51,727,948	98.77 %	642,302
2018	53,376,558	2,402,439	55,778,997	53,254,728	95.47 %	2,413,448	55,668,175	99.80 %	110,822
2019	56,857,535	2,505,436	59,362,970	57,277,383	96.49 %	1,766,103	59,043,486	99.46 %	319,485
2020	64,276,963	1,303,340	65,580,303	64,143,569	97.81 %	—	64,143,569	97.81 %	1,436,734

LEA COUNTY NEW MEXICO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities							
Fiscal Year	**General Obligation Bonds**	**Revenue Bonds (3)**	**Capital Leases**	**Total Primary Government**	**Percentage of Personal Income (1)**		**Per Capita (1)**	
2011	$ —	$ 11,775,000	$ —	$ 11,775,000	0.486%		181	
2012	—	11,130,000	—	11,130,000	0.416%		168	
2013	—	9,165,000	—	9,165,000	0.334%		134	
2014	—	8,485,000	—	8,485,000	0.297%		121	
2015	—	7,790,000	—	7,790,000	0.266%		109	
2016	—	7,085,000	—	7,085,000	0.158%		101	
2017	—	6,365,000	—	6,365,000	0.242%		92	
2018	—	5,630,000	—	5,630,000	0.178%		81	
2019	—	4,875,000	—	4,875,000	0.000%	(2)	69	(2)
2020	—	—	—	—	0.000%	(2)	—	(2)

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 20 for personal income and population data.

(2) Information not available.

(3) Presented net of original issuance discounts, premiums, and adjustments beginning in FY2013.

LEA COUNTY NEW MEXICO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020

Governmental Unit	General Obligation Long-Term Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
School Districts			
Hobbs Municipal Schools	44,325,000	100.00%	44,325,000
Lovington Municipal Schools	36,490,000	100.00%	36,490,000
Eunice Public Schools	13,066,809	100.00%	13,066,809
Jal Public Schools	41,155,000	100.00%	41,155,000
Tatum Municipal Schools	2,175,000	100.00%	2,175,000
New Mexico Junior College	—	100.00%	—
Cities			
City of Hobbs	27,421,687	100.00%	27,421,687
City of Lovington	18,798,100	100.00%	18,798,100
City of Eunice	—	100.00%	—
City of Jal	—	100.00%	—
Town of Tatum	31,950	100.00%	31,950
State of New Mexico	421,700,000	3.33%	14,021,525
Debt repaid with property taxes: County			
Subtotal, overlapping debt			197,485,071
Lea County direct debt			—
Total direct and overlapping debt			197,485,071

Notes: This total represents all general obligation debt outstanding within the County as of June 30, 2020. However, no single property would be subject to taxation on this total since the cities and the school districts apply their separate tax rates to net taxable value within the boundaries.

(1) Require Note 7

Sources: Debt amounts and percentages are provided by each governmental unit.

SCHEDULE 18

LEA COUNTY NEW MEXICO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value of Property	$2,583,234,709	$3,540,014,396	$3,565,723,847	$4,188,042,888	$4,752,949,964	$3,712,756,413	$3,590,606,586	$4,867,584,308	$7,068,359,267	$6,828,204,042
Debt Limit, 4% of Assessed Value	103,329,388	141,600,576	142,628,954	167,521,716	190,117,999	148,510,257	143,624,263	194,703,372	282,734,371	273,128,162
Total net debt applicable to limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	103,329,388	141,600,576	142,628,954	167,521,716	190,117,999	148,510,257	143,624,263	194,703,372	282,734,371	273,128,162
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

www.nmdfa.state.nm.us/Net_Taxable_Value.aspx

LEA COUNTY NEW MEXICO
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

	Fiscal Year					Fiscal Year				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Receipts Tax Revenue Bonds - Detention Center										
Pledged Revenue - Local Hospital GRT 1/8th of 1%	$4,137,741	$4,958,010	$5,479,807	$6,264,599	$7,306,130	$4,293,439	$4,222,637	$6,698,266	$8,378,486	$—
Debt Service										
Principal	625,000	645,000	670,000	680,000	695,000	705,000	720,000	735,000	755,000	$—
Interest	549,843	527,968	541,230	196,131	181,498	166,652	151,285	136,212	120,481	$—
Coverage	3.52	4.23	4.52	7.15	8.34	4.93	4.85	7.69	9.57	—

Notes:
Pledged revenue is reported from actual cash receipts. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Lea County refunded the outstanding bonds during the year ended June 30, 2013 to take advantage of lower interest rates. The County elected to early retire the bonds in December 2019 using excess pledged revenue.

Gross Receipts Tax: The gross receipts tax is a tax on persons engaged in business in New Mexico for both tangibles and services. The county portion is determined by the County Commission.

LEA COUNTY NEW MEXICO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population	Personal Income (1)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	65,126	2,422,947,704	37,204	31.6	12,669	5.6%
2012	66,326	2,673,999,016	40,316	31.6	13,399	4.7%
2013	68,613	2,745,617,808	40,016	31.8	14,025	4.5%
2014	70,165	2,859,504,410	40,754	31.5	14,637	4.3%
2015	71,476	2,928,157,292	40,967	31.8	15,324	5.9%
2016	70,249	4,485,478,000	34,132	31.8	15,441	8.8%
2017	69,046	2,635,278,682	38,167	31.7	15,158	7.1%
2018	69,543	3,158,137,590	44,437	31.7	15,361	4.2%
2019	71,070	(2) —	(2) —	(2) —	(2)	(2) 3.9%
2020	69,611	(2) —	(2) —	(2) —	(2)	(2) 5.5%

Sources: Population, Per Capita Personal Income, Unemployment Rate and Median Age provided by the Federal Reserve Bank of St. Louis Economic Research. Enrollment provided by the Kidscount Datacenter.

(1) Computation of per capita personal income multiplied by population.

(2) Information not available.

LEA COUNTY NEW MEXICO
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS

		2020			2015		
Employer	Product/Service	Number of Employees*	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Hobbs Municipal Schools	Education	1,489	1	5.05%	1,185	1	4.34%
Nor-Lea Hospital	Healthcare	575	2	1.95%	437	4	1.60%
City of Hobbs	City Government	532	3	1.80%	473	2	1.73%
Watson Construction	Construction	485	4	1.64%			0.00%
Walmart Supercenter	Retail	386	5	1.31%	384	8	1.41%
Lea County	County Government	372	6	1.26%	315	10	1.15%
McDonald's Restaurant	Food Services	350	7	1.19%	215	14	0.79%
Ferguson Construction Company	Construction	335	8	1.14%	411	6	1.51%
Lea Regional Medical Center	Healthcare	305	9	1.03%	420	5	1.54%
Constructor's Inc.	Road Construction	300	10	1.02%			0.00%
D&D Pipeline Company	Oil & Gas	300	11	1.02%			0.00%
New Mexico Junior College	Education	252	12	0.85%	215	13	0.79%
Zia Park Casino, Racetrack and Hotel	Hospitality	250	13	0.85%	260	12	0.95%
GEO Group	Prison Management	241	14	0.82%	273	11	1.00%
Miracle Home Healthcare	Healthcare	240	15	0.81%			0.00%
Urenco USA	Nuclear Energy	230	16	0.78%	350	9	1.28%
Lin-Mar Inc	Healthcare	230	17	0.78%	170	16	0.62%
Albertson's Market	Groceries	225	18	0.76%	167	17	0.61%
Ingram Professional Services	Oil & Gas	200	19	0.68%			0.00%
Newbourne Oil Company	Oil & Gas	176	20	0.60%			0.00%
Halliburton Energy Services	Oil & Gas	—		0.00%	469	3	1.72%
Key Energy Services	Oil & Gas	—		0.00%	387	7	1.42%
Baker Hughes	Oil & Gas	—		0.00%	183	15	0.67%
BJ Service Company	Oil & Gas	—		0.00%	164		0.60%
Totals		7,473		25.33%	6,478		23.73%
Total Employment Lea County Employment				29,489			27,302

Total employment obtained from State of New Mexico Department of Labor.

LEA COUNTY NEW MEXICO
GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Executive	5.00	4.00	3.00	4.00	3.00	4.00	5.00	3.90	3.90	3.90
Community Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	0.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Facilities Management	6.00	6.50	12.00	12.00	12.00	12.00	12.00	13.00	17.00	15.00
County Clerk	10.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
County Assessor	12.00	12.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	13.00
County Treasurer	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Probate Judge	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
County Attorney	0.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Human Resources	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Finance	8.00	5.00	5.30	6.30	6.30	6.40	7.60	9.00	9.00	9.00
Planning	4.00	1.00	2.00	2.00	3.00	2.00	2.00	2.00	1.00	1.50
Indigent Care	1.00	1.00	1.30	1.30	1.30	1.20	0.00	0.00	0.00	0.00
Public Safety										
County Sheriff	69.00	51.50	59.00	59.00	59.00	69.00	69.08	80.08	80.00	89.00
Drug Task Force	2.00	2.00	3.00	3.00	3.00	3.00	1.92	1.92	2.00	3.00
DWI/Misdemeanor Compliance	6.00	6.00	7.00	8.00	10.00	11.90	11.80	12.00	12.00	13.00
Emergency Management	0.00	2.00	1.95	3.95	3.95	4.50	4.50	4.95	4.70	4.70
Detention	88.00	84.00	86.00	86.00	86.00	86.00	87.00	87.00	87.00	89.00
Environmental Services	5.00	8.00	7.95	7.95	7.95	8.50	8.50	7.55	7.80	9.80
Public Works										
Road	48.00	40.00	47.50	47.50	47.50	47.50	47.50	47.50	43.50	43.50
Airports	0.00	2.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.00
Water Service	0.00	0.00	0.20	0.20	0.20	0.20	0.20	0.00	0.00	0.00
Quality of Life										
Event Center	7.00	5.00	5.70	5.70	5.70	1.00	1.00	5.00	5.00	5.00
Equine Facility	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00
Fairgrounds	2.00	2.00	2.30	2.30	2.30	0.00	0.00	7.00	6.00	6.00
Trust & Agency										
Communications Center	0.00	24.00	26.00	27.00	29.00	29.00	29.00	29.00	29.00	29.00
Solid Waste Authority	1.00	0.00	0.30	0.30	0.30	1.30	1.40	1.60	1.60	1.60
Total	286.00	286.00	317.00	323.00	332.00	336.00	336.00	359.00	359.00	372.00

LEA COUNTY NEW MEXICO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020
General Government					
Land	8,249,045	8,249,045	7,908,833	8,143,833	8,143,833
Buildings	29,354,731	28,544,467	27,608,736	26,047,954	24,797,377
Infrastructure	30,792	120,671	165,427	184,790	268,874
Machinery & Equipment	975,774	943,985	985,870	939,284	1,110,884
Other Improvements	224,142	2,865,011	2,985,393	2,827,043	2,685,670
Vehicles	176,307	185,654	194,239	193,618	388,021
Water Rights	575,000	575,000	575,000	575,000	575,000
	39,585,790	41,483,832	40,423,499	38,911,522	37,969,659
Public Safety					
Land	32,676	32,676	32,676	32,676	32,676
Buildings	4,576,378	4,348,520	4,112,910	3,877,301	3,641,692
Infrastructure	1,123,176	1,199,584	1,179,387	1,192,422	1,164,762
Machinery & Equipment	1,375,443	1,184,932	1,248,138	1,464,608	1,791,282
Other Improvements	257,075	206,022	200,912	195,801	175,376
Vehicles	2,968,995	2,868,285	3,122,771	4,156,619	4,546,403
	10,333,744	9,840,020	9,896,794	10,919,427	11,352,191
Public Works					
Land	1,173,652	1,173,652	1,173,652	1,173,652	1,173,652
Buildings	6,330,151	8,497,316	8,587,810	8,325,588	8,063,367
Infrastructure	73,331,573	79,717,086	83,492,669	87,268,765	88,247,607
Machinery & Equipment	2,060,328	2,252,312	2,030,199	1,862,194	2,098,575
Other Improvements	1,720,085	2,455,510	2,415,293	2,265,594	2,116,598
Vehicles	1,347,861	1,254,398	1,065,014	1,362,608	1,861,610
	85,963,650	95,350,274	98,764,637	102,258,401	103,561,408
Quality of Life					
Land	171,146	171,146	169,282	169,282	169,282
Buildings	13,225,288	12,850,475	12,454,502	13,535,566	13,746,519
Infrastructure	2,157,545	2,133,472	2,074,569	2,146,706	5,130,022
Machinery & Equipment	372,043	321,542	271,376	265,574	301,655
Other Improvements	282,034	240,733	198,875	135,909	128,054
Vehicles	44,936	27,955	14,923	48,554	43,617
	16,252,993	15,745,325	15,183,526	16,301,591	19,519,148
Construction in Progress	8,346,286	10,980,896	31,432,169	46,345,430	57,772,396
Total Capital Assets	16,048,263	173,400,346	195,700,625	214,736,371	230,174,802

Note: Detailed Information not available for years before 2016.

LEA COUNTY NEW MEXICO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Assessor's										
Property Transfers	2,853	3,339	3,397	N/A	N/A	N/A	2,613	3,181	3,729	2,420
County Clerk										
Number of documents recorded	12,520	13,490	14,258	15,472	14,127	15,667	17,978	17,110	16,374	11,937
Number of marriage licenses issued	605	676	697	1,083	773	621	600	591	607	415
Bureau of Elections										
Number of registered voters	26,919	30,340	31,459	32,040	30,723	34,156	32,954	34,723	35,066	37,531
Probate Judge										
Number of probates filed	133	168	205	186	155	149	183	183	236	190
County Treasurer										
Number of property tax billed	34,541	34,610	34,851	34,985	35,534	35,177	36,483	36,698	36,231	36,037
Number of 2nd half notice reminders	5,177	4,610	5,008	4,885	5,019	5,279	5,670	5,667	5,372	5,662
Dollars Distributed to State & Local Entities	39,062,118	45,248,874	43,489,670	51,727,756	54,888,306	53,154,160	68,025,677	77,402,428	97,695,197	111,882,48[illegible]
Finance										
Number of Accounts Payable Checks	5,020	5,403	6,083	6,132	6,408	7,276	6,226	6,099	5,872	5,867
Number of Payroll Checks Processed	8,285	8,612	8,033	8,383	8,158	7,884	8,899	8,574	8,677	9,045
Indigent Claims Paid	20,769	8,052	6,800	7,139	6,628	4,400	5,600	5,800	7,429	8,700
Central Purchasing										
Number of purchase orders processed	6,363	9,272	11,270	11,118	11,356	18,727	10,010	7,278	6,912	7,022
Number of bids & RFP's processed	33	30	15	13	20	20	28	45	49	43
Human Resources										
Number of applicants processed	N/A	211	273	382	450	591	426	449	1,130	706
Risk Management										
Dollar Amount of Insurance Premiums	678,694	667,558	768,471	831,673	876,829	846,956	925,590	928,138	1,008,953	901,028
Dollar Amount of Worker's Compensation Premiums	287,086	281,256	271,000	285,063	284,649	287,954	310,803	356,495	391,092	448,946

LEA COUNTY NEW MEXICO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Public Safety										
Corrections/Adult & Youth Detention										
Number of Adults Prisoners in Custody (Average)	268	256	318	378	379	367	367	333	270	210
Number of Juveniles Prisoners in Custody (Average)	14	18	14	9	7	6	5	4	5	6
Number of Beds (Adults)	400	400	400	400	400	400	400	400	400	400
Number of Beds (Juveniles)	32	32	32	32	32	32	32	32	32	32
Per Diem Rate	51	57	47	44	43	49	55	59	76	109
Inmate Worker (trustee) hours worked	23,712	23,712	23,712	23,712	23,712	23,712	23,712	23,712	23,712	23,712
Alternative Sentencing										
Individuals Treated - Adult Misdemeanor Compliance	417	448	547	609	825	863	728	530	564	614
Individuals Treated - DWI Treatment Facility	217	206	207	226	337	317	252	290	368	355
Sheriff										
Arrests - Adult	278	240	173	198	221	235	321	1,099	1,229	715
Arrests - Juvenile	22	12	8	6	1	8	12	15	27	16
Citations	N/A	N/A	N/A	N/A	N/A	1,555	2,550	3,483	3,241	2,941
Community Development										
Number of Exemptions	44	55	25	13	30	37	32	25	29	35
Number of Replats	—	—	—	—	1	—	3	10	5	10
Number of Subdivisions	—	7	2	5	11	10	6	7	5	6
Number of New Addressess Issued	N/A	N/A	89	337	161	96	80	158	133	171
Emergency Management										
Number of Radio Towers Used By Lea County	14	14	14	14	14	14	14	14	14	14
Floodplain Management										
Number of floodplain permits issued	N/A	N/A	26	99	105	52	20	48	58	171
Fire Operations										
Fire Districts	8	8	8	8	8	8	8	8	8	8
Fire Stations	4	4	4	4	4	4	4	4	4	4
Volunteer Firefighters	35	37	36	41	44	42	36	32	38	33
Number of Calls Responded To	182	118	97	104	146	162	121	165	94	84

LEA COUNTY NEW MEXICO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Public Works										
Airports										
Number of Commercial Enplanements (Note 2)	N/A	7,346	17,111	17,246	18,239	16,567	14,707	16,216	23,475	27,774
Roads										
Total Miles of County Roads Maintained	1,225	1,223	1,217	1,219	1,219	1,223	1,223	1,226	1,216	1,216
Miles of Caliche Roads	584	560	541	532	522	499	499	504	505	505
Miles of Paved Roads	642	663	676	686	697	724	724	723	712	712
Miles of Chip Seal Maintenance	123	78	21	37	19	88	60	30	119	35
Miles of New Chip Seal	8	24	19	10	10	23	—	—	—	—
Environmental										
Solid Waste										
Number of Convenience Centers	4	4	4	4	4	4	4	4	4	4
Tons Hauled to the Landfill	78,291	77,265	86,637	98,519	106,078	94,485	95,458	104,164	117,123	95,154
Number of Citations Issued	N/A	212	126	197	83	151	148	155	154	233
Quality of Life										
Event Center										
Number of Events Held	336	327	212	357	244	209	218	231	261	85
Fairgrounds										
Number of Events Held (Note 1)	71	75	76	72	75	68	78	75	76	—
Annual Attendance at Fair & Rodeo (Note 1)	76,700	108,000	52,225	53,491	37,058	33,200	39,500	59,200	67,000	—

Note 1 - All Events cancelled due to COVID-19 Outbreak

Note 2 - Commercial airline flights commenced in FY 12

Working cowboys still roam the range, herding cattle and mending fences. Of course, the everpresent oil wells dot the horizon, reminding us of the rich black gold that helps provide many of the amenities we enjoy

Photo Courtesy of Laura Mohon

Compliance Section

Photo Courtesy of Julia Parker

PATTILLO, BROWN & HILL, L.L.P.
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Albuquerque, New Mexico 87110
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INDEPENDENT AUDITORS' 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*

To Brian S. Colón, Esq.
New Mexico State Auditor

The County Commission
Lea County

We have audited, 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of Lea County, New Mexico (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 1, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards,* and which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

County's Response to Findings

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

Purpose of this Report

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

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, LLP
Albuquerque, New Mexico
December 1, 2020

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

To Brian S. Colón, Esq.
New Mexico State Auditor

The County Commission
Lea County

Report on Compliance for Each Major Federal Program

We have audited Lea County, New Mexico (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Pattillo, Brown & Hill, LLP

Pattillo, Brown, & Hill, L.L.P.
Albuquerque, New Mexico
December 1, 2020

STATE OF NEW MEXICO
LEA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

Federal Grantor or Pass-Through Grantor/Program Title	Pass-through Grant Number	Federal CFDA Number	Federal Expenditures
Department of Homeland Security			
Passed through State of New Mexico Department of Homeland Security and Emergency Management			
2018 State Homeland Security Grant Program	N/A	97.067	$ 34,352
Total Emergency Management Performance Grants			34,352
Passed through State of New Mexico Department of Homeland Security and Emergency Management			
2017 State Homeland Security Grant Program	N/A	97.067	
Total Homeland Security Grant Program Grants			-
Total Department of Homeland Security			34,352
Executive Office of the President			
High Intensity Drug Trafficking Areas Programs			
High Intensity Drug Trafficking Areas Program - G18SN0017A	N/A	95.001 (1)	404,789
High Intensity Drug Trafficking Areas Program - G19SN0017A	N/A	95.001 (1)	1,139,060
Total Executive Office of the President			1,543,849
Department of Transportation			
Airport Improvement Programs			
Lea Regional Improvement Runway Safety Area	N/A	20.106	58,314
Lea County Regional Airport Reconstruction Apron	N/A	20.106	1,158,041
Lea Regional Improvement Runday Safety Area	N/A	20.106	1,314,749
Lea County Jal Airport Electrical Vault	N/A	20.106	106,877
Lea County Jal Airport Replace Plasi with Papi	N/A	20.106	22,832
Reconstruction Taxiway A	N/A	20.106	40,928
Zip Franklin Memorial Airport Install	N/A	20.106	33,116
End Driving While Impaired DWI	N/A	20.608	3,124
Total Department of Transportation			2,737,981
Department of Interior			
Passed through State of New Mexico			
Taylor Grazing Act Wildlife - 14	N/A	15.237	123,500
Total Department of Interior			123,500
Total Federal Financial Assistance			$ 4,439,682

(1) *Denotes major federal assistance program*

NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the County under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the county, it is not intended and does not present the financial position or changes in net position of the County.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Subrecipients of Grant Awards

CFDA Number	Program Name	Subrecipient Name	Amount
95.001	High Intensity Drug Trafficking Areas Program	Chaves County	$ 153,580
95.001	High Intensity Drug Trafficking Areas Program	Lincoln County	163,848
95.001	High Intensity Drug Trafficking Areas Program	Pecos Valley	378,905
95.001	High Intensity Drug Trafficking Areas Program	Region VI	99,998
		Total CFDA 95.001	$ 796,331

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's report issued:	Unmodified
Internal control over financial reporting: Material Weakness reported?	No
Significant deficiencies reported not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weaknesses reported?	No
Significant deficiencies reported not considered to be material weaknesses?	None
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No

Identification of major programs:
High Intensity Drug Trafficking Areas Program – CFDA #95.001
Airport Improvements – FDA #21.106

Dollar threshold used to distinguish Between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

2019-001 Property Tax Assessment (Other Non-Compliance)

CONDITION: During our testing over the controls for the County Assessor's office regarding conducting annual appraisals, we noted that there was vacant land that had a building constructed on it and thus the value of the land should have been adjusted at that time and it was not.

CRITERIA: The County's policy is to update land values when new buildings are constructed in accordance with NMSA 7-36-21.

EFFECT: The parcel of land was not properly valued in the assessed valuation and revenue was not collected by the County.

CAUSE: The appraisers did not notify the Chief Appraiser of the changes to the parcel of land.

RECOMMENDATION: We recommend the County develop policies and procedures to ensure that land parcels are updated upon construction.

MANAGEMENT'S RESPONSE: The County will implement procedures to ensure that for new construction the following is performed:

1. Collect the physical data regarding the structure.
2. Using valuation models estimate the value of the structure.
3. Review the previous land use. If necessary change the land use code, refer to land table to ascertain the correct value.
4. If the land use is correct, refer to the land table to determine if the value is appropriate or should be addressed in the next reappraisal cycle.

The Chief Appraiser will ensure that land values are:

1. Reviewed annually
2. Update the land tables on a regular basis
3. Update in reappraisal cycle.

RESPONSIBLE PARTY/TIMELINE TO CORRECT: The County's Chief Appraiser is responsible for implementing the new controls. They will be implemented immediately.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SECTION IV – OTHER FINDINGS, AS REQUIRED BY NEW MEXICO STATE STATUTE, SECTION 12-6-5, NMSA 1978

None

STATE OF NEW MEXICO
LEA COUNTY
STATUS OF PRIOR YEAR FINDINGS
Year Ended June 30, 2020

STATUS OF PRIOR YEAR FINDINGS

	Description	Status
2019-001	Cash Disbursements – Wire Fraud	Resolved

STATE OF NEW MEXICO
LEA COUNTY
EXIT CONFERENCE
JUNE 30, 2020

EXIT CONFERENCE

An exit conference was conducted on December 1, 2020, with the following individuals:

Lea County

Rebecca Long, County Commissioner
Michael Gallagher, County Manager
Henry C. Low, Jr., CPA, Director of Finance

Pattillo, Brown & Hill, LLP

Chris Garner, CPA

Auditor Prepared Financial Statements

Pattillo, Brown & Hill, LLP prepared the GAAP-basis financial statements, related footnotes and supporting schedules from the original books and records provided to them by the management of the County. 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, and the County accepts responsibility for the financial statements.