



KRIEGEL/GRAY/SHAW & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

TRADITIONAL YET PROGRESSIVE SERVICE SINCE 1962

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STATE OF NEW MEXICO

GRANT COUNTY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2021

GRANT COUNTY
TABLE OF CONTENTS
JUNE 30, 2021

	<u>Page</u>
OFFICIAL ROSTER	1
INDEPENDENT AUDITORS' REPORT	2
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements	
Statement of Net Position	5
Statement of Activities	7
Fund Financial Statements	
Balance Sheets - Governmental Funds	8
Reconciliation of the Fund Balance of Governmental Funds to	
Government Activities Net Position	9
Statements of Revenues, Expenditures, and	
Changes in Fund Balance - Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balance of Governmental Funds to the Statement of Activities	11
Statement of Revenues and Expenditures	
Budget (Non-GAAP Basis) and Actual (Cash Basis):	
General Fund	12
Corre Caminos	13
FIDUCIARY FUNDS:	
Statement of Fiduciary Assets and Liabilities – Agency Funds	14
COMPONENT UNIT	
Statement of Cash Flows – Gila Regional Medical Center	16
NOTES TO FINANCIAL STATEMENTS	17
REQUIRED SUPPLEMENTARY INFORMATION	
Public Employees Retirement Association (PERA) Plan:	
Municipal General:	
Schedule of Grant County's Proportionate Share of the Net Pension Liability of PERA Fund Division	62
Municipal Police:	
Schedule of Grant County's Proportionate Share of the Net Pension Liability of PERA Fund Division	63
Municipal General:	
Schedule of Grant County's Contributions	64
Municipal Police:	
Schedule of Grant County's Contributions	65
Other Post-Employment Benefits (OPEB):	
Schedule of Employers Proportionate Share of Net OPEB Liability	66
Schedule of Employers Contributions - OPEB	67
Notes to Required Supplementary Information	68

GRANT COUNTY

TABLE OF CONTENTS JUNE 30, 2021

Page

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS

NONMAJOR SPECIAL REVENUE FUNDS:	69
Combining Balance Sheets	71
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance	75
Combining Balance Sheets - Rural Fire Departments	79
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance - Rural Fire Departments	81

NONMAJOR CAPITAL PROJECTS FUNDS:	83
Combining Balance Sheets	84
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance	86

NONMAJOR DEBT SERVICE FUNDS:	88
Combining Balance Sheets	89
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance	91

TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES:	
Combining Balance Sheet	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	94

OTHER SUPPLEMENTARY INFORMATION

AGENCY FUNDS:

Schedule of Collateral Pledged by Depository of Public Funds	95
Schedule of Deposits and Investment Accounts	96
Schedule of Tax Roll Reconciliation – Property Tax Receivable	97
County Treasurer’s Property Tax Schedule	98
Schedule of Joint Powers Agreement	100
Schedule of Legislative Grants	101

ADDITIONAL FEDERAL INFORMATION

Schedule of Expenditures of Federal Awards	102
Notes to the Schedule of Expenditures of Federal Awards	104

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	105
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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	107
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Summary of Auditor’s Results	109
Financial Statement Findings	110
Federal Award Findings & Questioned Costs	113
Summary Schedule of Prior Year Findings	114

Corrective Action Plan	115
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Exit Conference	116
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GRANT COUNTY
OFFICIAL ROSTER
JUNE 30, 2021

BOARD OF COMMISSIONERS

<u>Name</u>	<u>Title</u>
<i>Chris M. Ponce</i>	<i>Chairman</i>
<i>Gerald W. Billings, Jr.</i>	<i>Vice-Chair</i>
<i>Javier Salas</i>	<i>Member</i>
<i>Alicia Edwards</i>	<i>Member</i>
<i>Harry Browne</i>	<i>Member</i>

ELECTED OFFICIALS

<i>Raul Turrieta</i>	<i>County Assessor</i>
<i>Marisa Castrillo</i>	<i>County Clerk</i>
<i>Mary Ann Sedillo</i>	<i>County Probate Judge</i>
<i>Frank Gomez</i>	<i>County Sheriff</i>
<i>Steve Armendariz</i>	<i>County Treasurer</i>

ADMINISTRATIVE OFFICIALS

<i>Charlene Webb</i>	<i>County Manager</i>
<i>Linda Vasquez</i>	<i>County Director of Fiscal Services</i>

INDEPENDENT AUDITORS' REPORT

Mr. Brian S. Colón, State Auditor and
The County Manager and County Commissioners
Grant County
Silver City, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, other than the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of Grant County, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise Grant County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Grant County's nonmajor governmental funds, presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021, as listed in the table of contents.

We did not audit the financial statements or budgetary comparison of the discretely presented component unit as of and for the year ended June 30, 2021

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of other auditors. 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.

Mr. Brian S. Colón, State Auditor and
The County Manager and County Commissioners
Grant County
Silver City, New Mexico
Page Two

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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Grant County, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental funds of Grant County as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by that missing information.

Mr. Brian S. Colón, State Auditor and
The County Manager and County Commissioners
Grant County
Silver City, New Mexico
Page Three

Accounting principles generally accepted in the United States of America require that the pension and OPEB liability schedules on pages 62 through 68 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 Grant County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons of the general fund. The Schedule of Expenditures of Federal Awards required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 other supplementary information 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 the auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures of Federal Awards and other supplementary information required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2022 on our consideration of Grant County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grant County's internal control over financial reporting and compliance.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico

March 14, 2022

GRANT COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Governmental	Component Unit	
	Governmental Activities	Gila Regional Medical Center	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$7,593,397	\$10,763,076	\$18,356,473
Certificates of deposit	0	1,849,844	1,849,844
Patient accounts receivable, net of estimated uncollectible accounts of approximately \$4,454,061, respectively	0	7,764,042	7,764,042
Investments	8,463,637	0	8,463,637
Other invested cash	0	0	0
Receivables:			
Supplemental payments receivable	0	1,540,369	1,540,369
Safety net care pool	0	0	0
Estimated third-party payor settlements receivable	0	4,772,005	4,772,005
Grants/Due from other governments	1,850,075	44,902	1,894,977
Property taxes	739,210	0	739,210
Other taxes	987,561	0	987,561
Other	306,891	13,209	320,100
Inventory	0	2,066,880	2,066,880
Prepaid expenses	346,995	2,430,390	2,777,385
<i>Total current assets</i>	20,287,766	31,244,717	51,532,483
Noncurrent Assets			
Restricted cash and cash equivalents	148,785	0	148,785
Restricted investments	0	0	0
Bond discounts, net of accumulated amortization of \$56,563	45,057	0	45,057
Capital assets	157,159,038	23,042,474	180,201,512
Other assets	0	0	0
Art collection	0	0	0
Less: accumulated depreciation	(98,020,073)	0	(98,020,073)
<i>Total noncurrent assets</i>	59,332,807	23,042,474	82,375,281
Deferred Outflow of Resources			
Pension	5,241,709	0	5,241,709
OPEB	1,393,382	0	1,393,382
<i>Total deferred outflow of resources</i>	6,635,091	0	6,635,091
<i>Total assets and deferred outflow of resources</i>	\$86,255,664	\$54,287,191	\$140,542,855

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Governmental	Component Unit	
	Governmental Activities	Gila Regional Medical Center	Total
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable	\$370,993	\$6,873,583	\$7,244,576
Accrued wages and related liabilities	295,842	790,885	1,086,727
Accrued interest payable	87,284	0	87,284
Accrued compensated absences	0	1,586,474	1,586,474
Medicare accelerated payments payables	0	6,673,089	6,673,089
Current maturities of long-term debt	1,616,655	0	1,616,655
Unearned CARES Act Provider Relief Fund	0	510,025	510,025
<i>Total current liabilities</i>	2,370,774	16,434,056	18,804,830
Noncurrent Liabilities			
Accrued compensated absences	441,549	0	441,549
Bond premiums, net of accumulated amortization of \$303,271	423,894	0	423,894
Bonds payable	10,540,000	0	10,540,000
Notes payable	2,679,859	0	2,679,859
Paycheck Protection Program note payable	0	0	0
Net pension liability	16,917,417	0	16,917,417
Net OPEB liability	6,198,008	0	6,198,008
Lease payable	68,432	0	68,432
<i>Total noncurrent liabilities</i>	37,269,159	0	37,269,159
<i>Total liabilities</i>	39,639,933	16,434,056	56,073,989
Deferred Inflow of Resources			
Unavailable revenue	2,429,459	0	2,429,459
Pension	871,363	0	871,363
OPEB	2,859,284	0	2,859,284
<i>Total deferred inflows of resources</i>	6,160,106	0	6,160,106
Net Position			
Net investment in capital assets	43,923,614	23,042,474	66,966,088
Restricted for:			0
Debt service	1,632,002	0	1,632,002
Capital projects	1,209,851	0	1,209,851
Other purposes - special revenue	7,986,019	0	7,986,019
Unrestricted	(14,295,861)	14,810,661	514,800
<i>Total net position</i>	40,455,625	37,853,135	78,308,760
<i>Total liabilities, deferred inflow of resources, and net position</i>	\$86,255,664	\$54,287,191	\$140,542,855

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	
Primary Government						
Governmental Activities:						
General government	\$7,381,124	\$2,010,984	\$1,855,158	\$1,591,909	(\$1,923,073)	
Public safety	10,645,925	137,563	2,891,195	216,246	(7,400,921)	
Public works	5,375,721	451,335	261,110	1,730,266	(2,933,010)	
Health and welfare	1,133,524	0	854,790	113,510	(165,224)	
Cultural and recreational	83,214	0	4,784	0	(78,430)	
Interest and fees on long-term debt	496,246	0	0	0	(496,246)	
<i>Total governmental activities</i>	25,115,754	2,599,882	5,867,037	3,651,931	(12,996,904)	
Total primary government					(\$12,996,904)	

COMPONENT UNIT:

Gila Regional Medical Center	\$70,104,491	\$72,037,240	\$726,016	\$1,269,528	\$0	\$3,928,293
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General Revenues

Taxes:		
Gross receipts/state shared	\$6,348,398	\$0
Property	8,525,447	0
Lodgers' tax	88,137	0
Payments in lieu of taxes	2,282,251	0
Interest income	122,125	33,482
Other	754,992	3,438,029
Paycheck protection program forgiveness	0	6,270,600
Gain/Loss on asset disposals	0	(144,007)
Operating transfers, net	0	0
Capital transfers, net	0	0
<i>Total general revenues and transfers</i>	<i>18,121,350</i>	<i>9,598,104</i>
Change in net position	5,124,446	13,526,397
Net position, beginning of year, as previously stated	35,547,235	24,326,738
Restatements	(216,056)	0
Net position, beginning of year, as previously restated	35,331,179	24,326,738
Net position (deficit), end of year	\$40,455,625	\$37,853,135

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2021

	General Fund	2019 Bond Series	Corre Caminos	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$869,032	\$940,904	\$539,204	\$5,244,257	\$7,593,397
Investments	5,826,834	0	0	2,636,803	8,463,637
Cash held by trustee	5,367	0	0	143,418	148,785
Accounts receivable, net of allowance of \$370,939	122,215	0	10,737	173,939	306,891
Interfund receivable	83,012	0	11,013	232,590	326,615
Taxes receivable	1,238,182	0	0	488,589	1,726,771
Due from other governments	149,931	0	626,243	1,073,901	1,850,075
Prepaid expenses	346,995	0	0	0	346,995
Total assets	\$8,641,568	\$940,904	\$1,187,197	\$9,993,497	\$20,763,166
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$146,377	\$0	\$12,981	\$211,635	\$370,993
Salaries payable	206,500	0	16,836	72,506	295,842
Interfund payable	46,465	0	0	280,150	326,615
Total liabilities	399,342	0	29,817	564,291	993,450
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Grant revenue	2,296,259	0	489,832	309,371	3,095,462
Property taxes	525,325	0	0	59,226	584,551
Total deferred inflows of resources	2,821,584	0	489,832	368,597	3,680,013
Fund Balance:					
Nonspendable					
Prepaid expenses	346,995	0	0	0	346,995
Spendable					
Restricted for:					
General government	0	0	667,548	1,230,667	1,898,215
Environment	0	0	0	244,250	244,250
Recreation	0	0	0	134,008	134,008
Public safety	0	0	0	5,248,731	5,248,731
Health and welfare	0	0	0	460,815	460,815
Debt service expenditures	0	0	0	1,632,002	1,632,002
Capital projects	0	940,904	0	268,947	1,209,851
Unassigned	5,073,647	0	0	(158,811)	4,914,836
Total fund balance	5,420,642	940,904	667,548	9,060,609	16,089,703
Total liabilities, deferred inflows of resources, and fund balances	\$8,641,568	\$940,904	\$1,187,197	\$9,993,497	\$20,763,166

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
RECONCILIATION OF THE FUND BALANCE OF GOVERNMENTAL FUNDS
TO GOVERNMENTAL ACTIVITIES NET POSITION
JUNE 30, 2021

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

FUND BALANCE of Governmental Funds	\$16,089,703
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	59,138,965
Bond premiums and discounts are capitalized and amortized over the life of the bond	
Bond discounts	45,057
Bond premiums	(423,894)
Deferred outflow and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds.	
Deferred outflows of resources related to pensions and OPEB	6,635,091
Deferred inflows of resources related to pensions and OPEB	(3,730,647)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Property taxes subject to the 60 day availability period	584,552
Receivables subject to the 60 day availability period	666,003
Long-term liabilities are not reported in the funds:	
Net pension liability	(16,917,417)
Bonds payable	(11,740,000)
Net OPEB Liability	(6,198,008)
Notes payable	(2,963,646)
Lease payable	(201,301)
Accrued interest payable	(87,284)
Compensated absences	(441,549)
<i>Net position of governmental activities</i>	<i>\$40,455,625</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	2019 Bond Series	Corre Caminos	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$7,250,215	\$0	\$0	\$1,014,288	\$8,264,503
Gross receipts/other state tax	3,953,244	0	0	2,395,154	6,348,398
Lodgers	0	0	0	88,137	88,137
Intergovernmental:					
Federal operating grants	526,783	0	990,983	969,574	2,487,340
Federal capital grants	0	0	0	1,500,924	1,500,924
State operating grants	1,493,345	0	0	1,886,352	3,379,697
State capital grants	0	0	0	2,151,007	2,151,007
Payment in lieu of taxes	2,282,251	0	0	0	2,282,251
Fines, license and permits	6,929	0	0	0	6,929
Charges for services	3,308,272	0	168,662	1,795,593	5,272,527
Investment income (loss)	63,823	0	0	58,302	122,125
Miscellaneous	549,172	0	3,026	195,865	748,063
<i>Total revenues</i>	<i>19,434,034</i>	<i>0</i>	<i>1,162,671</i>	<i>12,055,196</i>	<i>32,651,901</i>
EXPENDITURES					
Current:					
General government	7,258,177	0	850,251	1,107,487	9,215,915
Public safety	4,869,439	0	0	5,336,029	10,205,468
Public works	2,586,244	0	0	801,488	3,387,732
Health and welfare	412,424	0	0	785,990	1,198,414
Culture and recreation	35,335	0	0	47,079	82,414
Debt Service					
Principal	0	0	0	2,177,083	2,177,083
Interest	0	0	0	524,592	524,592
Capital outlay	812,637	4,267,354	0	4,878,379	9,958,370
<i>Total expenditures</i>	<i>15,974,256</i>	<i>4,267,354</i>	<i>850,251</i>	<i>15,658,127</i>	<i>36,749,988</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>3,459,778</i>	<i>(4,267,354)</i>	<i>312,420</i>	<i>(3,602,931)</i>	<i>(4,098,087)</i>
Other Financing Sources (Uses):					
Transfer in	2,044,041	0	80,000	5,097,824	7,221,865
Transfer (out)	(6,497,025)	0	0	(724,840)	(7,221,865)
Loan proceeds	0	0	0	0	0
Proceeds of Sale	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>(4,452,984)</i>	<i>0</i>	<i>80,000</i>	<i>4,372,984</i>	<i>0</i>
<i>Net changes in fund balances</i>	<i>(993,206)</i>	<i>(4,267,354)</i>	<i>392,420</i>	<i>770,053</i>	<i>(4,098,087)</i>
Fund balance - beginning of year	6,413,848	5,208,258	275,128	8,290,556	20,187,790
<i>Fund balance - end of year</i>	<i>\$5,420,642</i>	<i>\$940,904</i>	<i>\$667,548</i>	<i>\$9,060,609</i>	<i>\$16,089,703</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Net change in fund balances - Governmental Funds	(\$4,098,087)
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. This is the amount by which capital outlay exceeded depreciation in the current period.	5,399,582
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.	0
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.	260,944
Bond discounts capitalized and amortized over the life of the bond: Amortization	(7,283)
Bond premiums capitalized and amortized over the life of the bond: Amortization	46,933
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employer contributions is reported as pension expense. Pension contributions and cost of benefits	1,310,012
Proceeds from new loans or leases is financing sources but is shown as a liability in the Statement of Net Position, net of loan costs.	0
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	2,177,083
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change for the year.	28,346
Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditure in governmental funds. This is the net change for the year.	6,916
<i>Change in net position of governmental activities</i>	<i>\$5,124,446</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	\$6,776,393	\$6,776,393	\$7,224,628	\$448,235
Gross receipts/other state taxes	3,482,779	3,482,779	3,824,962	342,183
Intergovernmental:				
Federal operating grants	480,739	641,441	473,694	(167,747)
Federal capital grants	0	0	0	0
State operating grants	685,022	1,761,787	1,502,355	(259,432)
State capital grants	0	0	0	0
Payment in lieu of taxes	2,000,000	2,000,000	2,296,259	296,259
Fines, licenses and permits	6,600	6,600	6,929	329
Charges for services	3,215,663	3,215,663	3,333,297	117,634
Investment income (loss)	160,000	160,000	127,868	(32,132)
Miscellaneous	789,206	789,205	533,482	(255,723)
<i>Total revenues</i>	<i>17,596,402</i>	<i>18,833,868</i>	<i>19,323,474</i>	<i>489,606</i>
EXPENDITURES				
Current:				
General government	8,183,864	8,414,301	7,178,099	1,236,202
Public safety	4,870,948	5,335,488	4,870,727	464,761
Public works	2,735,784	2,820,190	2,575,610	244,580
Health and welfare	66,095	536,095	398,544	137,551
Culture and recreation	48,640	48,640	36,227	12,413
Capital outlay	602,321	912,964	823,742	89,222
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	<i>16,507,652</i>	<i>18,067,678</i>	<i>15,882,949</i>	<i>2,184,729</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>1,088,750</i>	<i>766,190</i>	<i>3,440,525</i>	<i>2,674,335</i>
Other Financing Sources (Uses):				
Transfers in	2,079,603	2,120,621	2,044,041	(76,580)
Transfers (out)	(5,367,915)	(6,390,884)	(6,497,025)	(106,141)
Loan Proceeds	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>(3,288,312)</i>	<i>(4,270,263)</i>	<i>(4,452,984)</i>	<i>(182,721)</i>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<i>(2,199,562)</i>	<i>(3,504,073)</i>	<i>(\$1,012,459)</i>	<i>\$2,491,614</i>
Budgeted cash carryover	2,199,562	3,504,073		
	\$0	\$0		
Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			(\$1,012,459)	
Adjustments for revenue accruals			110,560	
Adjustments for expenditures accruals			(91,307)	
<i>Net changes in fund balance (GAAP basis)</i>			<i>(\$993,206)</i>	

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

CORRE CAMINOS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Approved Budget	Final Adjusted Budget	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	\$0	\$0	\$0	\$0
Gross receipts/other state taxes	0	0	0	0
Intergovernmental:				
Federal operating grants	604,079	1,510,939	992,289	(518,650)
Federal capital grants	0	0	0	0
State operating grants	0	0	0	0
State capital grants	0	0	0	0
Payment in lieu of taxes	0	0	0	0
Fines, licenses and permits	0	0	0	0
Charges for services	44,305	129,305	85,862	(43,443)
Investment income (loss)	0	0	0	0
Miscellaneous	0	0	3,026	3,026
<i>Total revenues</i>	<i>648,384</i>	<i>1,640,244</i>	<i>1,081,177</i>	<i>(559,067)</i>
EXPENDITURES				
Current:				
General government	592,870	1,584,730	861,446	723,284
Public safety	0	0	0	0
Public works	0	0	0	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Capital outlay	0	0	0	0
Principal	0	0	0	0
Interest	0	0	0	0
<i>Total expenditures</i>	<i>592,870</i>	<i>1,584,730</i>	<i>861,446</i>	<i>723,284</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>55,514</i>	<i>55,514</i>	<i>219,731</i>	<i>164,217</i>
Other Financing Sources (Uses):				
Transfers in	80,000	80,000	80,000	0
Transfers (out)	0	0	0	0
Loan Proceeds	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>80,000</i>	<i>80,000</i>	<i>80,000</i>	<i>0</i>
<i>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</i>	<i>\$135,514</i>	<i>\$135,514</i>	<i>\$299,731</i>	<i>\$164,217</i>
Budgetary - GAAP Reporting Reconciliation:				
Excess (deficiency) of revenues over expenditures and other financing sources (uses)			\$299,731	
Adjustments for revenue accruals			81,494	
Adjustments for expenditures accruals			11,195	
<i>Net changes in fund balance (GAAP basis)</i>			<i>\$392,420</i>	

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$134,150
Property taxes receivable, net	651,088
<i>Total assets</i>	785,238
LIABILITIES	
Accounts payable and other liabilities	0
Future taxes collected	651,088
Deposits held in trust for others	134,150
<i>Total liabilities</i>	785,238
NET POSITION	0
<i>Total net position</i>	\$0

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>
ADDITIONS	
Local sources:	
Property taxes distributed to other governments	\$10,331,874
<i>Total additions</i>	10,331,874
DEDUCTIONS	
Property taxes distributed to other governments	10,331,874
<i>Total deductions</i>	10,331,874
NET INCREASE	
NET POSITION	
July 1, Restated	0
	\$0

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Increase (Decrease) in Cash and Cash Equivalents

<i>Cash flows from operating activities</i>	
Receipts from and on behalf of patients	\$57,155,970
Receipts from safety net care pool	7,766,670
Receipts from grants	802,198
Receipts from other revenue	418,906
Payments to and on behalf of employees	(29,393,388)
Payments to suppliers and contractors	(35,563,485)
<i>Net cash provided by (used in) operating activities</i>	<u>1,186,871</u>
<i>Cash flows from noncapital and related financing activities</i>	
Proceeds from CARES Act Provider Relief Fund	510,025
Proceeds from Medicare accelerated payments	(166,333)
Proceeds from Paycheck Protection Program loan	0
<i>Net cash provided by noncapital and related financing activities</i>	<u>343,692</u>
<i>Cash flows from capital and related financing activities</i>	
Purchase of capital assets	(2,420,813)
Receipts from capital grants	1,269,528
<i>Net cash used in capital and related financing activities</i>	<u>(1,151,285)</u>
<i>Cash flows from investing activities</i>	
Purchase of investments	0
Proceeds from sale of investments	1,200,000
Interest received	18,769
<i>Net cash provided by investing activities</i>	<u>1,218,769</u>
Net increase (decrease) in cash and cash equivalents	1,598,047
Cash and cash equivalents, beginning of year	9,165,029
<i>Cash and cash equivalents, end of year</i>	<u>\$10,763,076</u>

***Reconciliation of Operating Loss to Net Cash
Provided By (Used In) Operating Activities:***

Operating loss	\$2,658,765
<i>Adjustments to reconcile operating income to net cash provided by (used in) operating activities</i>	
Depreciation	4,908,937
Provision for bad debts	6,720,485
Decrease (increase) in assets:	
Receivables:	
Patient accounts	(8,961,803)
Safety net care pool	230,492
Estimated third-party payor receivable	(4,651,944)
Grants	76,182
Other	(32,924)
Inventories	44,910
Prepaid expense	(340,726)
Increase (decrease) in liabilities:	
Accounts payable	719,718
Accrued compensation and related liabilities	(101,404)
Accrued compensated absences	(83,817)
<i>Net cash provided by (used in) operating activities</i>	<u>\$1,186,871</u>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Grant County, a political subdivision of the State of New Mexico, operates under the commissioner-manager form of government. The County provides the following authorized services: public safety, highways and streets, sanitation, health and welfare, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for State and Local Governments, through its pronouncements (Statements and Interpretations). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

Financial Reporting Entity

The County's basic financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Based on the aforementioned criteria, the County has one component unit, Gila Regional Medical Center.

Gila Regional Medical Center is a County owned hospital. The hospital is presented discretely, meaning separate columns are provided for the hospital in the financial statements to distinguish it from the primary government. Separately issued financial statements can be obtained by writing to Gila Regional Medical Center at 1313 East 32nd Street, Silver City, New Mexico 88061.

Basis of Presentation

Governmental-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County has no business-type activities.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are not allocated, but are presented as separate functions. Program revenues include charges paid by recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which a program is self-financing or draws from the general revenues of the County.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual Governmental Fund or Enterprise Fund are at least five percent of the corresponding total for all Governmental and Enterprise Funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Fund

The Debt Service Fund is used to account for resources restricted for the payment of interest and principle on the general obligation bonds of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principle and interest on the County's general obligation bonds.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds (Not included in government-wide statements)

Custodial Funds

Custodial Funds account for assets held by the County in a purely custodial capacity.

Property Tax – to account for the undistributed property taxes both received and yet to be received which are to be distributed to the various taxing entities at a later date.

Major Funds

The funds classified as major are as follows:

General – Accounts for all activities except those accounted for in the other funds.

Special Revenue Fund:

Corre Caminos – To account for public transportation activities utilizing buses and vans including federal grants expended for that purpose.

Capital Projects:

2019 Bond Series – to account for the proceeds from the issuance of General Obligation bonds. The proceeds will be used by the County for various capital projects.

Nonmajor Funds

Fund description for all funds are included in the “Other Supplementary Information” section of this report.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from non-exchange transactions are recognized when the earnings process is complete. Proprietary fund equity is classified as net position.
- c. Custodial funds utilize an “economic resources” measurement focus.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expensed are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Derived tax revenues are recognized when the exchange takes place, and grants are recognized when all eligibility requirements are met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Revenue not collected within sixty days of year end is recorded as deferred outflows of resources in the fund statements. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported when due.

Fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by management and approved by the local County Commission and the New Mexico Department of Finance and Administration.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget on a by fund basis. Budgets may be amended in two ways. If a budget transfer is necessary within a fund, this may be accomplished with only local Commission approval. If a transfer between “funds” or a budget increase is required, approval must also be obtained from the Department of Finance and Administration.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Cash and Investments

For the purpose of the Statement of Net Position, “cash and investments” includes all demand, savings accounts, Certificate of deposits and short-term investments of the County.

The County categorizes its investment fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment. All of the counties investments are level 1 inputs, which are quoted prices in active markets for identical assets.

State statutes authorize the government to invest in interest bearing accounts with local financial institutions, direct obligations of the U.S. Treasury or New Mexico political subdivisions, and the State Treasurers Investment Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owner of such public monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the County. The pledged securities remain in the name of the financial institution. Premiums (discounts) on investments are amortized by the interest method, or methods approximating the interest method.

Inter-Fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term inter-fund loans are reported as “inter-fund receivables or payables”. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include gross receipts and use taxes, franchise taxes, and grants.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as gross receipts tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investments earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivables.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statement. Capital assets are defined by the government as assets with an initial, individual cost more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Improvements	10 - 50
Machinery and Equipment	3 - 10
Infrastructure	25 - 75
Software and Library	5 - 10

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight- line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Assets acquired with an original cost of \$5,000 or more are capitalized.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will be recognized as an outflow of resources (expenses/expenditures) then. The County has deferred outflows of resources related to pensions as discussed in Note 8.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government reports unavailable revenue from the following sources:

	Statement of Net Position	Governmental Funds Balance Sheet			
		General Fund	Corre Caminos	Other Funds	Total
Advances received before recognition requirements are met	\$2,429,459	\$2,296,259	\$0	\$133,200	\$2,429,459
Amounts not received within 60 days of year end:					
Grant revenue	0	0	489,832	176,171	666,003
Property taxes	0	525,325	0	59,226	584,551
	\$2,429,459	\$2,821,584	\$489,832	\$368,597	\$3,680,013

In addition, the County has deferred inflows related to pensions as discussed in Note 8.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets acquired with the debt are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principles and interest reported as expenditures.

Compensated Absences

The County's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expenditures available financial resources.

Equity Classifications

Government wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets, net of related debt – Consists of capital assets including restricted 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.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets, net of related debt.”

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements

During the year ended June 30, 2011, the County implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The County Commission establishes (and modified or rescinds) fund balance commitments by adoption of a resolution or a vote of the Commission. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the County Commission through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues, Expenditures, and Expenses

Gross Receipts Tax

The County levies a gross receipts tax on taxable gross receipts within the County. The rate includes both County and State assessments. The tax is collected by the New Mexico Taxation and Revenue Department and remitted to the County in the month following receipt by the Department. The Department receives the tax one month after collection by vendors. Included in this tax is amounts dedicated to intercept agreements, and those dedicated amounts are recorded directly in those funds.

Gross receipts tax collected by the State in June and July (which represent May and June transactions) and received by the County in July and August have been accrued and are included under the caption "Taxes Receivable."

Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the County by the County Treasurer, and are remitted to the County in the month following collection. Because the Treasurer of the County in which the County is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable county to the County.

The County is permitted to levy taxes for general operating purposes based on a state formula, per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the County is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the County.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year end are reported as deferred inflows of resources in the fund statements.

Operating Revenues and Expenses

Operating revenue of governmental funds includes fees to users and license fees. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific appropriations.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund - By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The County does not allocate indirect expenses.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as inter-fund transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability, deferred outflows resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk in the event of a bank failure the Government's deposits may not be returned to it. The County does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2021, \$5,726,184 of the County's bank balance of \$5,976,184 was exposed to custodial credit risk as follows:

<u>Uninsured and collateralized (not in County's name)</u>	<u>\$5,726,184</u>
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The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer, with the advice and consent of the State Board of Finance, is authorized to invest money held in the short-term investment fund in accordance with Sections 6-10-10I through 6-10-10P and Sections 6-10-10.1 A and E, NMSA 1978. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares. Per Section 6-10-10.IF, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts fund were invested.

Investments are valued at fair value based on quoted market prices as of the valuation date.

Participation in the pool is voluntary. The County has \$99,737 on deposit in the pool at June 30, 2021, which is AAAM rated with a weighted average maturity of 44 days.

The cash on deposit with NMFA is, in effect, loan payments made by the County or loans generated but not yet disbursed. Such deposits are subject to the collateral requirements of NMFA. Such deposits total \$148,785.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3. INVESTMENTS

As of June 30, 2021, the County had the following investments; all level 1 inputs:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
CD's (Weighted Average Maturity 249 days)	\$8,363,900	80.00%
Local Government Investment Pool (LGIP)	99,737	1.00%
U.S. Government Money Market	1,972,600	19.00%
<i>Total fair value</i>	10,436,237	100.00%
<u>Less cash equivalents - shown as cash</u>	<u>1,972,600</u>	
	<u><u>\$8,463,637</u></u>	

Interest Rate Risk – The County limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates by limiting the weighted average maturity of its investment portfolio to less than five years.

Credit Risk – The County has no investment policy beyond that prescribed by New Mexico law.

Concentration of Credit Risk – The County, places no limits on the amount it may invest in anyone issuer. The County currently has 19% invested in government money markets and 80% invested in CD's.

Custodial Credit Risk – The County is not subject to custodial credit risk for its investments, since all are held in the name of the County.

Local Government Investment Pool – New Mexico LGIP AAAM Rated \$99,737 [48] day WAM (R); [78] day WAM (F)

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4. RECEIVABLES

	Governmental Activities
Accounts receivables:	
Services (net)	\$306,891
Property taxes	739,210
Gross receipts taxes	921,666
Motor vehicle and gas tax	65,895
<i>Total taxes receivable</i>	1,726,771
Due from other governments:	
Intergovernmental grants	1,850,075
<i>Total receivables</i>	\$3,883,737

The County has established an allowance for doubtful accounts of \$370,939 for the receivables for the landfill that are more than one year old at which time a lien is placed on the property.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5. CAPITAL ASSETS

The following is a summary of capital assets and changes occurring during the year ended June 30, 2021. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2020	PPA	Additions	Retirements	Transfers	Balance June 30, 2021
Governmental Activities:						
Capital assets not being depreciated						
Land	\$1,662,686	\$0	\$0	\$0	\$0	\$1,662,686
Construction in progress	4,993,096	0	9,056,674	0	(6,961,778)	7,087,992
<i>Total capital assets not being depreciated</i>	<i>6,655,782</i>	<i>0</i>	<i>9,056,674</i>	<i>0</i>	<i>(6,961,778)</i>	<i>8,750,678</i>
Capital assets being depreciated						
Land improvements	1,096,490	(2,705)	0	0	0	1,093,785
Improvements	18,191,911	(2,144)	99,588	0	1,908,910	20,198,265
Buildings and infrastructure	81,735,946	(150,466)	0	0	4,859,117	86,444,597
Machinery and Equipment	40,146,940	0	779,159	(448,137)	193,751	40,671,713
<i>Total capital assets being depreciated</i>	<i>141,171,287</i>	<i>(155,315)</i>	<i>878,747</i>	<i>(448,137)</i>	<i>6,961,778</i>	<i>148,408,360</i>
Less accumulated depreciation for:						
Land improvements	(904,392)	0	(24,335)	0	0	(928,727)
Improvements	(13,810,880)	2,144	(367,005)	0	0	(14,175,741)
Buildings and infrastructure	(43,050,267)	47,080	(3,026,936)	0	0	(46,030,123)
Machinery and Equipment	(36,216,056)	0	(1,117,563)	448,137	0	(36,885,482)
<i>Total accumulated depreciation</i>	<i>(93,981,595)</i>	<i>49,224</i>	<i>(4,535,839)</i>	<i>448,137</i>	<i>0</i>	<i>(98,020,073)</i>
Governmental activities capital assets, net	\$53,845,474	(\$106,091)	\$5,399,582	\$0	\$0	\$59,138,965

Depreciation was charged to the Governmental Activities as follows:

General Government	\$1,254,474
Public Safety	1,003,761
Public Works	2,236,891
Health and Welfare	39,913
Culture/Recreation	800
	<u>\$4,535,839</u>

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6. LONG-TERM DEBT

Long-Term Debt and Other Liabilities

Long-term liabilities activity for the year ended June 30, 2021, was as follows:

	Balance				Balance	Amounts
	June 30, 2020	Restatement	Additions	Deletions	June 30, 2021	Due Within One Year
Governmental Activities:						
Bonds:						
2019 G.O. Bonds	\$6,470,000	\$0	\$0	\$1,225,000	\$5,245,000	\$650,000
2014 GRT Reserve Bonds	5,395,000	0	0	150,000	5,245,000	155,000
2014 G.O. Refunding Bonds	1,620,000	0	0	370,000	1,250,000	395,000
Notes payable	3,133,349	109,965	0	279,668	2,963,646	283,787
<i>Total bonds and notes payable</i>	<i>16,618,349</i>	<i>109,965</i>	<i>0</i>	<i>2,024,668</i>	<i>14,703,646</i>	<i>1,483,787</i>
Other Liabilities:						
Capital leases	353,715	0	0	152,415	201,300	132,868
Compensated absences	448,465	0	405,398	412,314	441,549	0
<i>Total other liabilities</i>	<i>802,180</i>	<i>0</i>	<i>405,398</i>	<i>564,729</i>	<i>642,849</i>	<i>132,868</i>
<i>Long-term debt</i>	<i>\$17,420,529</i>	<i>\$109,965</i>	<i>\$405,398</i>	<i>\$2,589,397</i>	<i>\$15,346,495</i>	<i>\$1,616,655</i>

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

Series 2019 General Obligation Bonds

On April 30, 2019 the County issued \$7,695,000 in general obligation bonds with interest of 5%. Interest is payable semiannually on March 1 and September 1. The Series 2019 Bonds constitute general obligation indebtedness of the County, payable from the property tax levied against all taxable property in the County, the full faith and credit of the County is pledged for the payment of the Bonds.

The net proceeds of the bonds are being used to provide (1) \$4,000,000 in funds to remodel and make additions to public buildings within the County and (2) \$4,000,000 in funds for constructing or repairing public roads and for construction and acquisition of water, sewer or sanitary landfill systems.

The revenue pledged for this general obligation bond issue totaled \$6,367,225 at June 30, 2021. During the year ended June 30, 2021 the County recognized \$6,243,402 in pledged revenues, and retired \$1,446,575 in bond principal and interest.

Series 2014 General Obligation Refunding Bonds

On December 11, 2014, the County issued \$3,300,000 in general obligation refunding bonds with interest rates ranging between 2% and 4%. The County issued the bonds to advance refund \$3,825,000 of the outstanding series 2005 general obligation revenue bonds with interest rates ranging from 4.15% to 5%. The County used the net proceeds from the bonds along with \$586,895 in available funds to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the 2005 series bonds. As a result, the 2005 series bonds are considered defeased, and the County has removed the liability from its accounts.

The advance refunding reduced the total debt service payments over the next 10 years by \$926,156. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$186,221.

The revenues pledged for this general obligation bond issue totaled \$1,325,025 at June 30, 2021. During the year ended June 30, 2021, the County recognized \$421,600 in pledged revenues, and retired \$421,600 in bond principal and interest. The bonds mature in 2024.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

Series 2014 Gross Receipts Tax Revenue Bonds

The County issued gross receipts tax revenue bonds of \$6,200,000 during the year ended June 30, 2015. These bonds were issued to fund various improvement projects throughout the County, and are to be repaid solely from gross receipts taxes collected by the County.

The bonds carry interest rates ranging from 2% to 3.939% for various scheduled maturities. The bonds mature in 2044.

The revenues pledged totaled \$7,913,194 at June 30, 2021, which is 20% of the hold harmless gross receipts tax collected at the current rate. During the year ended June 30, 2021, the County recognized \$338,957 in pledged revenues, and retired \$343,425 in bond principal and interest.

Fire Department Loans

These loans are for equipment and real property. The loans are secured by the State Fire Allotments. The revenues pledged totaled \$1,941,827 at June 30, 2021, which is 10% of the future state fire allotments at their current rate. Interest rates range from 0% to 4.2% for individually scheduled retirements, and maturity dates range from 2020 through 2042. During the year ended June 30, 2021, the County recognized \$166,524 in pledged revenues, and retired \$181,078 in loan principal and interest.

New Mexico Finance Authority Note Payable Gila River Stabilization

On August 11, 2011, the County borrowed \$17,600 from the New Mexico Finance Authority for the stabilization project on the Gila River. The loan is to be repaid from general fund revenues, and no revenue stream is pledged to retire the debt.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

Special Assessment Loans

These loans are to provide infrastructure upgrades to the Viva Santa Rita, Loma Verde Subdivision and Wind Canyon. The loans are secured by general fund revenues, but are to be repaid from special assessments to the property owners. The revenues pledged totaled \$107,972 at June 30, 2021, which is 100% of the assessments at their current rate. Interest rates range from .28% to 2.46% for individually scheduled retirements, and maturity dates range from 2020 to 2027. During the year ended June 30, 2021, the County recognized \$11,689 in pledged revenues and retired \$22,837 in loan principal and interest.

North Hurley Wastewater System Loan

This loan is to provide infrastructure upgrades to the North Hurley water system. The loan is secured by general fund revenues, but is to be repaid from fees for services. The revenues pledged totaled \$463,752 at June 30, 2021, which is 100% of future fees. The interest rate is 2.75%, and maturity dates range from 2020 through 2054. During the year ended June 30, 2021, the County recognized \$14,156 in pledged revenues, and retired \$14,156 in loan principal and interest.

Drainage Loans

These loans are payable to the New Mexico Financial Authority, and are to be repaid from the General Fund. No revenue stream is pledged to retire the debt.

Vehicle Replacement – Road Equipment Loan

This loan is to replace road equipment. The loan is secured by one-eighth of one percent (.125%) County Gross Receipts Tax which constitutes pledged revenue. The revenues pledged totaled \$578,584 at June 30, 2021. The interest rate is 1.15% to 1.540%. Interest is paid semi-annually and principal is paid annually. The loan matures on May 1, 2027. During the year ended June 30, 2021, the County recognized \$100,664 in pledged revenues and retired \$100,664 in loan principal and interest.

The following is a schedule of the annual payments required to service the long-term debt of Grant County:

<u>Due in Fiscal Year Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$1,483,787	\$449,298	\$1,933,085
2023	1,168,401	403,286	1,571,687
2024	1,228,323	363,590	1,591,913
2025	790,738	331,090	1,121,828
2026	759,051	307,268	1,066,319
2027 - 2031	3,455,339	1,161,928	4,617,267
2032 - 2036	2,892,146	743,027	3,635,173
2037 - 2041	1,682,119	381,027	2,063,146
2042 - 2046	1,123,677	94,704	1,218,381
2047 - 2051	80,124	10,580	90,704
2052 - 2056	39,941	2,229	42,170
	<u>\$14,703,646</u>	<u>\$4,248,027</u>	<u>\$18,951,673</u>

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

Lease Purchase Payable

The County leases road equipment under a capital lease. The economic substance of the lease is that the County is financing the acquisition of the assets through the leases and, accordingly, they are recorded in the County's assets and liabilities. The obligations under the capital lease have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates varying from 3.44% to 4.21%, as stated in the individual contracts. Included in fixed assets is equipment acquired under a capital lease at a cost of \$1,557,864 and accumulated depreciation of \$1,090,506.

The following is a schedule of future minimum lease payments required under the leases, together with their present value as of June 30, 2021:

2022	\$138,431
2023	69,216
<i>Total minimum lease payment</i>	<i>207,647</i>
Less amounts representing imputed interest necessary to reduce future lease payments to net present value	(6,348)
<i>Present value of minimum lease payments</i>	<i>\$201,299</i>

Payments on the bonds payable that pertain to the County's governmental activities are made by the debt service fund. Payments made on the note payable to the New Mexico Finance Authority are made by the fund incurring the debt. Special Revenue funds make payments on capital leases that pertain to the County's governmental activities.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6. LONG-TERM DEBT (CONTINUED)

Compensated Absences

A liability for unused vacation (and sick time for regional dispatch at one half of the payrate) 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:

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness).

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 compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund.

All compensated absences are considered non-current. Compensated absences are paid out of the fund that salaries for the respective employee are paid out of provided there are funds available. Otherwise, they are paid out of the general fund.

NOTE 7. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

General Information about the Pension Plan

Plan Description: The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State, General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits Provided: For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2019 available at <http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366PublicEmployeesRetirementAssociation2020.pdf>.

Contributions: The contribution requirements of defined benefit plan members and the County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY20 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY20 annual audit report at <http://osanm.org/media/audits/366PublicEmployeesRetirementAssociation2020.pdf>. The PERA coverage options that apply to the County are the Municipal General and Municipal Police. Statutorily required contributions to the pension plan from the County were \$890,656 for the year ended June 30, 2021.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2018. The PERA pension liability amounts for each division were 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 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 in 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.

For PERA Fund Division Municipal General, at June 30, 2021, the County reported a liability of \$10,622,761 for its proportionate share of the net pension liability. At June 30, 2021, the County's proportion was 0.5253%, and was 0.5415% as of June 30, 2020.

For the year ended June 30, 2021, the County recognized PERA Fund Division Municipal General pension expense of \$224,867. At June 30, 2021, the County reported PERA Fund Division Municipal General 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	\$294,382	\$0
Changes of assumptions	196,543	0
Net difference between projected and actual earnings on pension plan investments	1,942,584	0
Changes in proportion and differences between Grant County contributions and proportionate share of contributions	81,074	618,862
Grant County contributions subsequent to the measurement date	512,402	0
Total	\$3,026,985	\$618,862

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

\$512,402 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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	\$511,394
2022	395,635
2023	512,043
2024	476,649
2025	0
	\$1,895,721

For PERA Fund Division Municipal Police, at June 30, 2021, the County reported a liability of \$6,294,656 for its proportionate share of the net pension liability. At June 30, 2020, the County's proportion was 0.7329%, and was 0.6844% as of June 30, 2019.

For the year ended June 30, 2021, the County recognized PERA Fund Division Municipal Police pension expense of (\$37,039). At June 30, 2021, the County reported PERA Fund Division Municipal Police 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	\$365,788	\$0
Changes of assumptions	149,062	0
Net difference between projected and actual earnings on pension plan investments	1,080,429	0
Changes in proportion and differences between Grant County contributions and proportionate share of contributions	241,191	252,501
Grant County contributions subsequent to the measurement date	378,254	0
Total	\$2,214,724	\$252,501

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

\$378,254 reported as deferred outflows of resources related to pensions resulting from Grant County contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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	\$468,448
2022	423,151
2023	427,114
2024	265,256
2025	0
	\$1,583,969

Actuarial Assumption. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2019 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2020 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2020. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2019 actuarial valuation.

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases*	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75% all other years
Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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

ALL FUNDS – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.50%	5.90%
Risk Reduction & Mitigation	19.50%	1.00%
Client Oriented Fixed Income	15.00%	4.20%
Real Assets to include Real Estate Equity	20.00%	6.00%
Multi-Risk Allocation	10.00%	6.40%
Total	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the County's net pension liability in each PERA Fund Division that the County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

PERA Fund Division Municipal General	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Grant County's proportionate share of the net pension liability	\$15,209,029	\$10,622,761	\$6,819,820
PERA Fund Division Municipal Police	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Grant County's proportionate share of the net pension liability	\$9,033,437	\$6,294,656	\$4,053,109

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

Payables to the pension plan. The County is legally required to make defined contributions to the cost sharing pension plan on behalf of its' participant employees. At June 30, 2021, Grant County had paid all required contributions and therefore, there is no payable to the pension plan.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

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

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

Employees covered by benefit terms – At June 30, 2020, the Fund’s measurement date, the following employees were covered by the benefit:

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 FTRE	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 the statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the County were \$142,231 for the year ended June 30, 2020.

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

At June 30, 2021, the County reported a liability of \$6,198,008 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to June 30, 2020. The County’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2020. At June 30, 2020, the County’s proportion was 0.14761 percent.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

For the year ended June 30, 2021, the County recognized OPEB income of \$461,749. At June 30, 2021 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$0	\$1,100,600
Changes in assumptions	1,216,713	1,100,724
Differences between actual and projected earnings on OPEB plan investments	33,799	0
Change in proportion	0	657,960
Contributions made after the measurement date	142,870	0
Total	\$1,393,382	\$2,859,284

Deferred outflows of resources totaling \$142,870 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	(\$708,977)
2022	(613,010)
2023	(340,308)
2024	(90,671)
2025	144,194
	(\$1,608,772)

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Valuation Date	June 30, 2019
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.50% for PERA
Project 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 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2014 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 weighing 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.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 2.86% as of June 30, 2020. 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 the beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2039. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2040. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2041, resulting in a blended discount rate of 2.86%.

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 (1.86percent) or 1-percentage-point higher (3.86 percent) than the current discount rate:

1% Decrease (1.86%)	Current Discount (2.86%)	1% Increase (3.86%)
\$7,704,150	\$6,198,008	\$5,033,917

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 Discount	1% Increase
\$5,087,406	\$6,198,008	\$7,040,430

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, 2020.

Payable Changes in the Net OPEB Liability. At June 30, 2021, the County reported a payable of \$0 for outstanding contributions due to NMRHCA for the ended June 30, 2021.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9. CONTINGENT LIABILITIES

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

NOTE 10. FUTURE COMMITMENTS

The County has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies, and bond proceeds, constitute future commitments, and total \$9,219,567.

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other agencies in the State and obtained insurance through the New Mexico Self Insurers Fund, a public risk pool currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to New Mexico Self Insurers Fund for its general insurance coverage, and risk of loss is transferred. The County has not incurred any losses in excess of insurance coverage in the last three years.

NOTE 12. DEFICIT FUND BALANCES

The County had the following deficit fund balances at June 30, 2021: Agency on Aging (\$8,905), Economic Development Grant (\$26,575), Recreation (\$372), Emergency Medical Service (\$1,390) and Capital Road (\$121,569). The deficit fund balances are due to the 60 day revenue recognition policy required by the modified accrual basis of accounting, or the fact that transfers have not yet been made from the General Fund to fund the deficit. As revenue is collected and/or transfers made, the deficit will be reduced.

NOTE 13. INTER-FUND ACTIVITY

Inter-fund balances at June 30, 2021, consisted of the following:

<u>Inter-Fund Receivable</u>	Inter-Fund Payable		
	General	Other Governmental Funds	Total
General Fund	\$4,287	\$78,725	\$83,012
Corre Caminos	11,013	0	11,013
Other Governmental Funds	31,165	201,425	232,590
	<u>\$46,465</u>	<u>\$280,150</u>	<u>\$326,615</u>

These amounts are expected to be repaid within one year, and the advances were made to meet operating expenses, or fund projects.

GRANT COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13. INTER-FUND ACTIVITY (CONTINUED)

Interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>		
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
General Fund	\$1,388,365	\$655,676	\$2,044,041
Corre Caminos	80,000	0	80,000
Other Governmental Funds	5,028,660	69,164	5,097,824
	<u>\$6,497,025</u>	<u>\$724,840</u>	<u>\$7,221,865</u>

The transfers were made to fund debt service payments, fund construction projects and provide operating funds.

NOTE 14. EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 14, 2022, the date which the financial statements were available to be issued.

NOTE 15. TAX ABATEMENTS

The County does not have any tax abatements that are required to be disclosed in accordance with GASB77.

NOTE 16. RESTATEMENTS

	<u>Governmental Wide</u>
Beginning long-term debt June 2020 NMFA loan	\$109,965
Beginning capital assets was corrected for assets < \$5000	106,091
	<u>\$216,056</u>

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. Reporting Entity and Summary of Significant Accounting Policies:

a. Reporting Entity

Gila Regional Medical Center (the Medical Center) is a critical access hospital located in Silver City, New Mexico. The Medical Center is a component unit of Grant County, New Mexico (the County) and the Board of County Commissioners appoints members to the Board of Trustees of the Medical Center. The Medical Center provides inpatient, outpatient, and emergency care services to patients in the Grant County area.

The Medical Center obtained Medicare critical access hospital designation effective July 1, 2020. Prior to this date, the Medical Center operated as an acute care hospital.

Gila Regional Medical Center Foundation (the Foundation) is a legally separate, tax-exempt organization under Internal Revenue Code Section 501(c)(3) established primarily to raise and hold funds to support the Medical Center and its programs. Although the Medical Center does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the Medical Center. The resources and operations were determined not to be significant to the Medical Center and, therefore, the Foundation is not reported as a component unit of the Medical Center in the accompanying financial statements.

b. Summary of Significant Accounting Policies

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those estimates.

Enterprise fund accounting – The Medical Center's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. The Medical Center uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus.

Cash and cash equivalents – Cash and cash equivalents include business checking accounts maintained with local financial institutions, cash on hand, and investments in highly liquid debt instruments with an original maturity of three months or less.

Inventories – Inventories consist primarily of medical and pharmaceutical supplies and are stated at the lower of cost (using the first-in, first-out method) or market value.

Prepaid expenses – Prepaid expenses are expenses paid during the year relating to expenses incurred in future periods. Prepaid expenses are amortized over the expected benefit period of the related expense.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Compensated absences – The Medical Center’s policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits as earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned, but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statements of net position dates.

Income taxes – As a political subdivision of the County, the Medical Center is exempt from federal and state income taxes.

Restricted resources – When the Medical Center has both restricted and unrestricted resources available to finance a particular program, it is the Medical Center’s policy to use restricted resources before unrestricted resources.

Net position – Net position of the Medical Center is classified into three components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* is noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Medical Center. *Unrestricted net position* is remaining net position that does not meet the definition of *net investment in capital assets* or *restricted*. The Medical Center does not have any restricted net position.

Budgets and budgetary accounting – Prior to the beginning of each fiscal year, an accrual basis budget for the Medical Center is prepared by the Medical Center’s management and is presented to the Board of Trustees for approval. Upon approval, the budget is sent to the State of New Mexico Department of Finance and Administration (DFA) for tentative approval. Final approval is granted after the beginning of the fiscal year when the fund balances for the prior year are known. Expenditures cannot legally exceed the total fund budget. Any budget amendments are approved by the Board of Trustees and sent to the DFA for approval. Budgeted amounts may be transferred between departments within a fund; however, any revisions that alter the total expenditures of a fund must be approved by the DFA.

Operating revenues and expenses – The Medical Center’s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions, including grants for specific operating activities associated with providing healthcare services — the Medical Center’s principal activity. Nonexchange revenues, including taxes and contributions received for purposes other than capital asset acquisitions, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services other than financing costs.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Grants and contributions – From time to time, the Medical Center receives grants from governmental and nongovernmental entities, as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses. Grants that are for specific projects, or purposes related to the Medical Center's operating activities, are reported as operating revenue. Grants that are used to subsidize operating deficits are reported as nonoperating revenue. Contributions, except for capital contributions, are reported as nonoperating revenue.

Upcoming accounting standard pronouncements – In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The new guidance is effective for the Medical Center's year ending June 30, 2022, although earlier application is encouraged. The Medical Center has not elected to implement this statement early; however, management is still evaluating the impact, if any, of this statement in the year of adoption.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The new guidance is effective for the Medical Center's year ending June 30, 2022. Management is currently evaluating the effect this statement will have on the financial statements and related disclosures.

Subsequent events – Subsequent events have been reviewed through December 13, 2021, the date on which the financial statements were available to be issued.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

2. Deposits and Investments:

Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the Medical Center’s deposits may not be returned to it. In accordance with Section 6-10-17, NMSA, 1978 compilation, the Medical Center is required to obtain collateral in an amount equal to one-half of the deposited public money in excess of \$250,000 and 102 percent for repurchase agreements. The Medical Center’s policy is to require collateral in accordance with state statutes.

As of June 30, 2021, the Medical Center had deposits with a bank balance of \$8,975,016, of which \$2,415,622 was uninsured and uncollateralized, and therefore subject to custodial credit risk. As of June 30, 2020, the Medical Center had deposits with a bank balance of \$4,149,129, of which \$0 was uninsured and uncollateralized, and therefore subject to custodial credit risk.

State Treasurer’s Investment Pool – The Medical Center may legally invest in direct obligations of and other obligations guaranteed as to principal by the United States (U.S.) Treasury and U.S. agencies and instrumentalities, commercial paper rated not less than Grade “A” by a national rating service; bonds or other obligations issued by the State of New Mexico; the State Treasurer’s New MexiGROW Local Government Investment Pool (the Pool); and in bank repurchase agreements. It may also invest, to a limited extent, in corporate bonds and equity securities.

The Pool is not Securities and Exchange Commission registered. Section 6-10-10-I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or agencies sponsored by the United States government. The Pool’s investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The Pool does not have unit shares. According to Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund’s amounts were invested. Participation in the Pool is voluntary.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

2. Deposits and Investments (continued):

Fair value – The Medical Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Medical Center's certificates of deposit and repurchase agreement are valued using quoted market prices (Level 2 input).

The Medical Center's investments are as follows:

	2021					
	Fair Value	Investment Maturities (in Years)				Investment Ratings
		Less than One	One to Five	Six to Ten	More than Ten	
New MexiGROW Local Government						
Investment Pool	\$ 3,710,123	\$ 3,710,123	\$ -	\$ -	\$ -	AAAm
Certificates of deposit	1,849,844	1,849,844	-	-	-	Not applicable
Total investments	\$ 5,559,967	\$ 5,559,967	\$ -	\$ -	\$ -	

	2020					
	Fair Value	Investment Maturities (in Years)				Investment Ratings
		Less than One	One to Five	Six to Ten	More than Ten	
New MexiGROW Local Government Investment Pool	\$ 5,502,253	\$ 5,502,253	\$ -	\$ -	\$ -	AAAm
Certificates of deposit	3,035,131	3,035,131	-	-	-	Not applicable
Total investments	\$ 8,537,384	\$ 8,537,384	\$ -	\$ -	\$ -	

Interest rate risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Medical Center's practice is to invest in certificates of deposit and repurchase agreements with maturities of less than one year.

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Medical Center will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Concentration of credit risk – The Medical Center places no limit on the amount that may be invested in any one issuer.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

2. Deposits and Investments (continued):

Reconciliation to the statements of net position – The carrying values of deposits and investments in the statements of net position are as follows:

	2021	2020
Carrying value		
Deposits	\$ 7,052,953	\$ 3,662,776
Investments and New MexiGROW Local Government Investment Pool	5,559,967	8,537,384
	\$ 12,612,920	\$ 12,200,160
Included in the following statements of net position captions		
Cash and cash equivalents	\$ 10,763,076	\$ 9,165,029
Certificates of deposit	1,849,844	3,035,131
	\$ 12,612,920	\$ 12,200,160

3. Patient Accounts Receivable:

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectibility of patient accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Medical Center's allowance for uncollectible accounts has not changed significantly. The Medical Center does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant writeoffs from third-party payors.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

3. Patient Accounts Receivable (continued):

Patient accounts receivable reported as current assets by the Medical Center consisted of these amounts:

	2021	2020
Receivable from patients and their insurance carriers	\$ 7,758,293	\$ 5,593,939
Receivable from Medicare	3,425,887	2,543,584
Receivable from Medicaid/Centennial Care	1,033,923	1,092,024
Total patient accounts receivable	12,218,103	9,229,547
Less allowance for uncollectible accounts	4,454,061	3,728,965
Net patient accounts receivable	\$ 7,764,042	\$ 5,500,582

4. Capital Assets:

The Medical Center capitalizes assets whose costs exceed \$5,000 and with an estimated useful life of at least one year, in accordance with Section 12-6-10 NMSA 1978. Capital asset acquisitions are recorded at historical cost. Contributed capital assets are reported at their estimated fair value at the time of their donation. All capital assets other than land and construction in progress are depreciated or amortized (in the case of capital leases) by the straight-line method of depreciation using these asset lives:

Land improvements	15 to 20 years
Buildings	20 to 40 years
Equipment	3 to 10 years

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4. Capital Assets (continued):

Capital asset additions, retirements, transfers, and balances were as follows:

	2021				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<i>Capital assets not being depreciated</i>					
Construction in progress	\$ 71,144	\$ 2,048,681	\$ -	\$ (2,083,525)	\$ 36,300
Land	806,200	-	-	-	806,200
Total capital assets not being depreciated	877,344	2,048,681	-	(2,083,525)	842,500
<i>Capital assets being depreciated</i>					
Land improvements	577,465	-	-	-	577,465
Buildings	32,375,756	18,079	-	1,235,406	33,629,241
Equipment	41,051,279	350,062	-	848,119	42,249,460
Total capital assets being depreciated	74,004,500	368,141	-	2,083,525	76,456,166
<i>Less accumulated depreciation for</i>					
Land improvements	491,613	51,676	-	-	543,289
Buildings	19,288,005	854,842	-	-	20,142,847
Equipment	29,567,637	4,002,419	-	-	33,570,056
Total accumulated depreciation	49,347,255	4,908,937	-	-	54,256,192
Total capital assets being depreciated, net	24,657,245	(4,540,796)	-	2,083,525	22,199,974
Capital assets, net of accumulated depreciation	\$ 25,534,589	\$ (2,492,115)	\$ -	\$ -	\$ 23,042,474

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4. Capital Assets (continued):

	2020				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<i>Capital assets not being depreciated</i>					
Construction in progress	\$ 323,551	\$ 71,144	\$ (255,630)	\$ (67,921)	\$ 71,144
Land	806,200	-	-	-	806,200
Total capital assets not being depreciated	1,129,751	71,144	(255,630)	(67,921)	877,344
<i>Capital assets being depreciated</i>					
Land improvements	577,465	-	-	-	577,465
Buildings	32,367,726	8,030	-	-	32,375,756
Equipment	40,732,276	251,082	-	67,921	41,051,279
Total capital assets being depreciated	73,677,467	259,112	-	67,921	74,004,500
<i>Less accumulated depreciation for</i>					
Land improvements	439,936	51,677	-	-	491,613
Buildings	18,420,735	867,270	-	-	19,288,005
Equipment	25,403,108	4,109,540	54,989	-	29,567,637
Total accumulated depreciation	44,263,779	5,028,487	54,989	-	49,347,255
Total capital assets being depreciated, net	29,413,688	(4,769,375)	(54,989)	67,921	24,657,245
Capital assets, net of accumulated depreciation	\$ 30,543,439	\$ (4,698,231)	\$ (310,619)	\$ -	\$ 25,534,589

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

5. Commitments Under Operating Leases:

The Medical Center leases various buildings and equipment under operating leases with terms of one to five years.

6. Noncurrent Liabilities:

A schedule of changes in the Medical Center's noncurrent liabilities is as follows:

	2021				
	Beginning Balance	Additions	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 1,670,291	\$ 1,931,779	\$ (2,015,596)	\$ 1,586,474	\$ 1,586,474
Total noncurrent liabilities	\$ 1,670,291	\$ 1,931,779	\$ (2,015,596)	\$ 1,586,474	\$ 1,586,474

	2020				
	Beginning Balance	Additions	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 1,447,270	\$ 2,335,744	\$ (2,112,723)	\$ 1,670,291	\$ 1,670,291
Total noncurrent liabilities	\$ 1,447,270	\$ 2,335,744	\$ (2,112,723)	\$ 1,670,291	\$ 1,670,291

7. Paycheck Protection Program (PPP) Note Payable:

In April 2020, the Medical Center was granted a loan in the form of a note payable from First American Bank in the aggregate amount of \$6,270,600, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Medical Center applied for PPP loan forgiveness during fiscal year 2021, and forgiveness was approved on June 30, 2021. The loan forgiveness is recorded as a Gain on Forgiveness of Paycheck Protection Program note payable in the statements of revenues, expenses, and changes in net position.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

8. Net Patient Service Revenue:

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Medical Center's patients will be unable or unwilling to pay for the services provided. Thus, the Medical Center records a significant provision for bad debts related to uninsured patients and the deductible and coinsurance portion of payments due from beneficiaries in the period the services are provided. The Medical Center's provision for bad debts remained consistent with the increase in patient revenues. The Medical Center has not changed its charity care or uninsured discount policies during fiscal years 2021 or 2020. Patient service revenue, net of contractual adjustments and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	2021	2020
Patient service revenue (net of contractual adjustments and discounts):		
Medicare	\$ 35,625,231	\$ 27,800,381
Medicaid/Centennial Care	12,459,165	9,127,775
Other third-party payors	21,083,294	20,706,418
Patients	2,034,096	2,101,083
	71,201,786	59,735,657
Less:		
Charity care	432,069	948,986
Provision for bad debts	6,720,485	5,227,076
Net patient service revenue	\$ 64,049,232	\$ 53,559,595

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors is as follows:

- *Medicare* – The Medical Center has been designated a critical access hospital by Medicare and is reimbursed for inpatient and outpatient services on a cost basis as defined and limited by the Medicare program. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare administrative contractor.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

8. Net Patient Service Revenue (continued):

Medicaid/Centennial Care – The state of New Mexico (the State) administers its Medicaid program through contracts with several Managed Care Organizations (MCOs). Medicaid beneficiaries are required to enroll with one of the MCOs. The State pays each MCO a per member, per month rate based on their current enrollment. These amounts are allocated by each MCO to separate pools for the hospital, physicians, and ancillary providers. As a result, the MCOs assume the financial risk of providing healthcare to its members.

Through the Medical Center's contracts with MCOs, inpatient acute care services and outpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge and discounted fee schedules. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

The Medical Center also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient service revenue increased by approximately \$2,076,000 in 2021 and decreased by approximately \$125,000 in 2020, due to differences between original estimates and final settlements or revised estimates.

The Medical Center provides charity care to patients who are financially unable to pay for the healthcare services they receive. The Medical Center's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the Medical Center does not report these amounts in net operating revenues or in the allowance for uncollectible accounts. The Medical Center determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries and wages, benefits, supplies, and other operating expenses, based on data from its costing system. The costs of caring for charity care were approximately \$166,000 and \$440,000 for the years ended June 30, 2021 and 2020, respectively. The Medical Center did not receive any gifts or grants to subsidize charity care services during 2021 and 2020. The safety net care pool program subsidizes services to uninsured patients and unreimbursed Medicaid costs.

9. Supplemental Payments:

The Medical Center receives funding for uncompensated care costs through the State of New Mexico's safety net care pool program (SNCP). The Medical Center received interim quarterly payments subject to settlement based on actual uncompensated care costs through December 31, 2019. The SNCP increased by approximately \$1,748,000 in 2021 due to differences between original estimates and final settlements or revised estimates.

Beginning January 1, 2020, the SNCP was replaced with the Hospital Access Program and Targeted Access Program payments from the Medicaid managed care organizations.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

10. Retirement Plan:

The Medical Center contributes to a tax-sheltered retirement plan covering all eligible employees. The name of the plan is Gila Regional Medical Center 403(b) Plan. Eligible employees may participate in the Medical Center's retirement plan after 12 months of continuous employment on a regular full-time or part-time status. The Medical Center will contribute 2.5 percent of the employee's annual salary, provided the employee is a participant in the plan. Beginning the fifth year of employment, the Medical Center will match an additional 2.5 percent of the employee's contribution up to a maximum of 5 percent of the employee's annual salary. Employees may contribute a maximum of 20 percent of their annual salary. The Medical Center's contributions for each employee are vested immediately upon contribution. The Medical Center's contributions to the plan were approximately \$514,000 and \$512,000 for the years ended June 30, 2021 and 2020, respectively. Employee contributions to the plan were approximately \$730,000 and \$891,000 for 2021 and 2020, respectively. There are no stand-alone financial reports available to the public for the plan.

The plan is administered by the Medical Center. The Medical Center has the authority to amend the plan.

11. Risk Management and Contingencies:

Medical malpractice claims – The Medical Center has professional liability insurance coverage with Endurance American Specialty Insurance Company. The policy provides protection on a "claims-made" basis whereby claims filed in the current year are covered by the current policy. If there are occurrences in the current year, these will only be covered in the year the claim is filed if claims-made coverage is obtained in that year or if the Medical Center purchases insurance to cover prior acts. The current professional liability insurance provides \$1,000,000 per claim of primary coverage with an annual aggregate limit of \$3,000,000. The policy has a \$25,000 deductible per claim.

Risk management – The Medical Center is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

11. Risk Management and Contingencies (continued):

Industry regulations – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditations, and government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Medical Center is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

GRANT COUNTY
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

12. Concentration of Risk:

Patient accounts receivable – The Medical Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The majority of these patients are geographically concentrated in and around Grant County.

The mix of receivables from patients and third-party payors was as follows:

	2021	2020
Medicare	40 %	37 %
Medicaid/Centennial Care	21	18
Patients	11	15
Commercial and other	28	30
	100 %	100 %

Physicians – The Medical Center is dependent on local physicians in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or a change in their utilization patterns may have an adverse effect on the Medical Center's operations.

13. CARES Act Provider Relief Fund:

In April 2020, the Medical Center received \$5,752,974 of funding from the CARES Act Provider Relief Fund. The Medical Center also received an additional \$510,025 in December 2020. These funds are required to be used to reimburse the Medical Center for healthcare-related expenses or lost revenues attributable to coronavirus. The Medical Center has recorded these funds as unearned grant revenue until eligible expenses or lost revenues are recognized. During the years ended June 30, 2021 and 2020, the Medical Center recognized \$3,438,029 and \$2,314,945 of grant revenue from these funds, respectively. The Medical Center had \$510,025 of remaining funds as of June 30, 2021, to use for healthcare-related expenses or lost revenues attributable to coronavirus in the next fiscal year.

14. Line of Credit:

The Medical Center has a revolving line of credit with First American Bank. The amount available to the Medical Center is \$1,800,000, which expires August 9, 2022. The Medical Center's outstanding balance on the line of credit was \$-0- at June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF GRANT COUNTY'S PROPORATIONATE SHARE OF THE NET PENSION LIABILITY OF PERA FUND DIVISION MUNICIPAL GENERAL

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years*

	As of Measurement Date						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
	2021	2020	2019	2018	2017	2016	2015
Grant County's proportion of the net pension liability (asset)	0.5253%	0.5415%	0.6077%	0.5815%	0.5836%	0.5906%	0.6172%
Grant County's proportionate share of the net pension liability (asset)	\$10,622,761	\$9,373,904	\$9,688,987	\$7,990,302	\$9,323,964	\$6,021,679	\$4,814,822
Grant County's covered-employee payroll	\$4,959,930	\$4,937,966	\$4,937,584	\$5,106,563	\$4,868,247	\$4,868,247	\$4,885,440
Grant County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	214.17%	189.83%	196.23%	156.47%	191.53%	123.69%	98.55%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.50%

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

SCHEDULE OF GRANT COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF PERA FUND DIVISION MUNICIPAL POLICE

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years*

	As of Measurement Date						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
	2021	2020	2019	2018	2017	2016	2015
Grant County's proportion of the net pension liability (asset)	0.5253%	0.6844%	0.7545%	0.7888%	0.8245%	0.8367%	0.8419%
Grant County's proportionate share of the net pension liability (asset)	\$6,294,656	\$5,055,450	\$5,147,986	\$4,382,301	\$6,083,406	\$4,023,323	\$2,744,502
Grant County's covered-employee payroll	\$1,721,294	\$1,527,399	\$1,534,955	\$1,625,784	\$1,769,519	\$1,769,519	\$1,662,941
Grant County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	365.69%	330.98%	335.38%	269.55%	343.79%	227.37%	165.04%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.37%	73.74%	69.18%	76.99%	81.50%

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

SCHEDULE OF GRANT COUNTY'S CONTRIBUTIONS

Public Employees Retirement Association (PERA) Plan

PERA FUND DIVISION - MUNICIPAL GENERAL

Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$512,402	\$485,114	\$471,576	\$471,539	\$487,677	\$452,790	\$466,687
Contributions in relation to the contractually required contribution	\$512,402	\$485,114	\$471,576	\$471,539	\$487,677	\$452,790	\$466,687
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant County's covered-employee payroll	\$5,228,590	\$4,959,930	\$4,937,966	\$4,937,584	\$5,106,563	\$4,868,247	\$4,885,490
Contributions as a percentage of covered-employee payroll	9.80%	9.80%	9.55%	9.55%	9.55%	9.30%	9.55%

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

SCHEDULE OF GRANT COUNTY'S CONTRIBUTIONS

Public Employees Retirement Association (PERA) Plan

PERA FUND DIVISION MUNICIPAL POLICE

Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$378,254	\$329,349	\$288,678	\$290,106	\$307,273	\$334,439	\$311,126
Contributions in relation to the contractually required contribution	\$378,254	\$329,349	\$288,678	\$290,106	\$307,273	\$334,439	\$311,126
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant County's covered-employee payroll	\$1,975,219	\$1,721,294	\$1,527,399	\$1,534,955	\$1,625,784	\$1,769,519	\$1,662,941
Contributions as a percentage of covered-employee payroll	19.15%	19.15%	18.90%	18.90%	18.90%	18.90%	18.71%

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

GRANT COUNTY
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2021

	As of Measurement Date			
	June 30, 2020 2021	June 30, 2019 2020	June 30, 2018 2019	June 30, 2017 2018
Employer's proportion of the net OPEB liability	0.14761%	0.15460%	0.16031%	0.16626%
Employer's proportionate share of the net OPEB liability	\$6,198,008	\$5,012,733	\$6,970,848	\$7,534,360
Employer covered-employee payroll	\$6,681,290	\$6,459,858	\$6,470,084	\$6,475,685
Employer's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	92.76%	77.60%	107.74%	116.35%
Plan fiduciary net position as a percentage of the total OPEB liability	16.50%	18.92%	13.14%	11.34%

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

GRANT COUNTY
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018
Contractually required contribution	\$142,870	\$142,231	\$136,828	\$137,155
Contributions in relation to the contractually required contribution	\$142,870	\$142,231	\$136,828	\$137,155
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Employer's covered-employee payroll	\$6,686,516	\$6,681,290	\$6,459,858	\$6,470,084
Contributions as a percentage of covered-employee payroll	2.14%	2.12%	2.12%	2.12%

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

GRANT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Public Employee Retirement Association Plan (PERA)

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

Changes of assumptions.

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2019 report is available at <https://www.saonm.org>

Other Post-Employment Benefits (OPEB)

In the June 30, 2019 actuarial valuation rolled forward to the measurement date of June 30, 2020, changes in assumptions and differences between expected and actual experience include adjustments results from an decrease in the discount rate from 4.16% to 2.86%, changes in medical carrier election assumptions based on recent enrollment, and updated Medicare Advantage trends to reflect 2020 and 2021 premiums.

SUPPLEMENTARY INFORMATION

GRANT COUNTY
SPECIAL REVENUE FUNDS
JUNE 30, 2021

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than expendable trusts and major capital projects that are legally restricted to expenditures for specific purposes.

Agency on Aging – To account for federal and state revenues and expenditures therefrom to provide services to senior citizens.

Airport – To account for self-generated revenues and the expenditures for the operation of the County airport. The Authority for the fund is given by NMSA 3-39-1.

Corre Caminos – To account for buses and vans used for public transportation including federal grants expended for that purpose. Authority is the County Commission.

Correction Fees – To account for proceeds collected for the care of prisoners. The Authority for the fund is given by NMSA 33-3-25.

County Clerk's Equipment – To account for funds collected to be used for purchase of special equipment. The Authority for the fund is given by NMSA 14-8-12.2.

Economic Development Grant – To account for grant funds received to build a Grant County Economic Recovery and Resilience effort. The Authority for the fund is Public Works and Economic Development Act of 1965.

Emergency Medical Service – To account for the operations and maintenance of medical service equipment in the County. The Authority for the fund is given by NMSA 24-10A-6.

Farm and Range – To account for the maintenance, improvements and animal control of federal land under Section 10 of the Taylor Grazing Act of 6-28-34. The Taylor Grazing Co-Op Agreement provides financing. Funds received under this agreement are to be used strictly for the maintenance, improvements and animal control of this federal land. The Authority for the fund is given by NMSA 6-11-5.

Fire Protection and Fire Administration – To account for the proceeds of the State fire allotment, and the expenditures for public safety therefrom. Established by Section 59A-6-5 NMSA 1978 as authorized by Section 59A-53-7.

Fort Bayard Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Gila-Cliff Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Grant County Health Council – To account for grant funds received from the Gila Regional Medical Center Foundation for health related activities. The fund was established by County ordinance.

GRANT COUNTY
SPECIAL REVENUE FUNDS
JUNE 30, 2021

Special Revenue Funds (Continued)

Hospital Indigent – To account for the sole source provider for indigent medical services and gross receipts tax dedicated for indigent medical care. Authority is County Commission.

Law Enforcement – To account for the County’s state distribution of Law Enforcement Protection funds to be used for the repair and/or replacement of law enforcement equipment. The Authority for the fund is given by NMSA 29-13-1.

Lodger’s Tax – To account for the revenues specifically generated by the tax on transient lodging. Expenditures must be of a culture-recreation nature. The Authority for the fund is given by NMSA 3-38-13.

Lower Mimbres Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Pinos Altos Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Reappraisal – To account for the proceeds from property taxes and the one-percent administrative fees assessed by County Treasurers to revenue recipients. Authority given by NMSA 7-38-38.1.

Recreation – To account for the operations and maintenance of County-owned recreation facilities. Financing is provided by the County’s share of cigarette tax. State law requires the use of these cigarette taxes to be used for recreation purposes. The Authority for the fund is given by NMSA 7- 12-16.

Regional Dispatch – To account for the funding of a regional 911 system. The fund is authorized by NMSA 63-9D-1.

Safe Borders – To account for federal revenues and expenditures to aid in securing our borders.

Santa Rita Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Sapillo Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Solid Waste – To account for grant monies from the New Mexico Energy, Mineral and Natural Resources Department to be used to evaluate a solid waste plan for Grant County. The fund is authorized by County resolution 90-12-27D.

Tyrone Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Upper Mimbres Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Whiskey Creek Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

GRANT COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Agency on Aging	Airport	CARES Act	Corrections	County Clerk's Equipment
ASSETS					
Cash and cash equivalents	\$0	\$93,725	\$24,020	\$313,097	\$196,505
Investments	0	0	0	0	0
Cash held by trustee	0	0	0	0	0
Accounts receivable	0	0	0	0	0
Interfund receivable	0	0	0	0	0
Taxes receivable	0	0	0	114,146	0
Due from other governments	0	742,725	0	0	0
Total assets	\$0	\$836,450	\$24,020	\$427,243	\$196,505
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$0	\$3,566	\$0	\$4,770	\$0
Salaries payable	0	5,410	0	52,160	0
Interfund payable	8,905	0	0	0	0
Total liabilities	8,905	8,976	0	56,930	0
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Grant revenue	0	0	0	0	0
Property taxes	0	0	0	0	0
Total deferred inflows of resources	0	0	0	0	0
Fund Balance:					
Nonspendable					
Prepaid expenses	0	0	0	0	0
Spendable					
Restricted for:					
General government	0	827,474	0	0	196,505
Environment	0	0	0	0	0
Recreation	0	0	0	0	0
Public safety	0	0	0	370,313	0
Health and welfare	0	0	24,020	0	0
Unassigned	(8,905)	0	0	0	0
Total fund balance	(8,905)	827,474	24,020	370,313	196,505
Total liabilities, deferred inflows of resources, and fund balances	\$0	\$836,450	\$24,020	\$427,243	\$196,505

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Economic Development Grant	Emergency Medical Service	Farm and Range	Fire Administration	Fire Protection
ASSETS					
Cash and cash equivalents	\$0	\$24,133	\$5,040	\$213,806	\$249,276
Investments	0	0	0	0	1,454,547
Cash held by trustee	0	0	0	0	0
Accounts receivable	0	0	0	0	0
Interfund receivable	0	0	0	0	26,613
Taxes receivable	0	0	0	0	25,976
Due from other governments	0	0	0	0	0
Total assets	\$0	\$24,133	\$5,040	\$213,806	\$1,756,412
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$0	\$0	\$0	\$91	\$0
Salaries payable	0	0	0	0	0
Interfund payable	26,575	25,523	0	0	0
Total liabilities	26,575	25,523	0	91	0
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Grant revenue	0	0	0	0	0
Property taxes	0	0	0	0	0
Total deferred inflows of resources	0	0	0	0	0
Fund Balance:					
Nonspendable					
Prepaid expenses	0	0	0	0	0
Spendable					
Restricted for:					
General government	0	0	5,040	0	0
Environment	0	0	0	0	0
Recreation	0	0	0	0	0
Public safety	0	0	0	213,715	1,756,412
Health and welfare	0	0	0	0	0
Unassigned	(26,575)	(1,390)	0	0	0
Total fund balance	(26,575)	(1,390)	5,040	213,715	1,756,412
Total liabilities, deferred inflows of resources, and fund balances	\$0	\$24,133	\$5,040	\$213,806	\$1,756,412

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Grant County Health Council	Hospital Indigent	Law Enforcement Protection	Lodgers Tax	Reappraisal	Recreation
ASSETS						
Cash and cash equivalents	\$29,564	\$325,816	\$197	\$136,508	\$201,648	\$0
Investments	0	0	0	0	0	0
Cash held by trustee	0	0	0	0	0	0
Accounts receivable	0	0	0	0	0	0
Interfund receivable	0	0	0	0	0	0
Taxes receivable	0	114,196	0	0	0	0
Due from other governments	0	0	0	0	0	0
Total assets	\$29,564	\$440,012	\$197	\$136,508	\$201,648	\$0
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$0	\$3,217	\$0	\$2,500	\$0	\$0
Salaries payable	0	0	0	0	0	0
Interfund payable	0	0	0	0	0	372
Total liabilities	0	3,217	0	2,500	0	372
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue:						
Grant revenue	0	0	0	0	0	0
Property taxes	0	0	0	0	0	0
Total deferred inflows of resources	0	0	0	0	0	0
Fund Balance:						
Nonspendable						
Prepaid expenses	0	0	0	0	0	0
Spendable						
Restricted for:						
General government	0	0	0	0	201,648	0
Environment	0	0	0	0	0	0
Recreation	0	0	0	134,008	0	0
Public safety	29,564	0	197	0	0	0
Health and welfare	0	436,795	0	0	0	0
Unassigned	0	0	0	0	0	(372)
Total fund balance	29,564	436,795	197	134,008	201,648	(372)
Total liabilities, deferred inflows of resources, and fund balances	\$29,564	\$440,012	\$197	\$136,508	\$201,648	\$0

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Regional Dispatch	Rural Fire Departments	Safe Borders	Solid Waste	Totals
ASSETS					
Cash and cash equivalents	\$110,502	\$2,505,465	\$0	\$38,406	\$4,467,708
Investments	0	0	0	0	1,454,547
Cash held by trustee	0	39,319	0	0	39,319
Accounts receivable, net of allowance of \$370,939	0	0	0	173,939	173,939
Interfund receivable	0	158,622	0	0	185,235
Taxes receivable	116,490	0	0	31,905	402,713
Due from other governments	0	0	224,425	0	967,150
Total assets	\$226,992	\$2,703,406	\$224,425	\$244,250	\$7,690,611
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$7,000	\$40,055	\$0	\$0	\$61,199
Salaries payable	14,936	0	0	0	72,506
Interfund payable	0	0	38,131	0	99,506
Total liabilities	21,936	40,055	38,131	0	233,211
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Grant revenue	0	0	176,171	0	176,171
Property taxes	0	0	0	0	0
Total deferred inflows of resources	0	0	176,171	0	176,171
Fund Balance:					
Nonspendable					
Prepaid expenses	0	0	0	0	0
Spendable					
Restricted for:					
General government	0	0	0	0	1,230,667
Environment	0	0	0	244,250	244,250
Recreation	0	0	0	0	134,008
Public safety	205,056	2,663,351	10,123	0	5,248,731
Health and welfare	0	0	0	0	460,815
Unassigned	0	0	0	0	(37,242)
Total fund balance	205,056	2,663,351	10,123	244,250	7,281,229
Total liabilities, deferred inflows of resources, and fund balances	\$226,992	\$2,703,406	\$224,425	\$244,250	\$7,690,611

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Agency on Aging	Airport	CARES Act	Corrections	County Clerk's Equipment
REVENUES					
Taxes:					
Property	\$0	\$0	\$0	\$0	\$0
Gross receipts	0	0	0	636,732	0
Gasoline and motor vehicle	0	0	0	0	0
Lodgers	0	0	0	0	0
Intergovernmental:					
Federal operating grants	0	0	502,344	0	0
Federal capital grants	0	1,500,924	0	0	0
State operating grants	0	0	0	0	0
State capital grants	113,510	90,985	0	0	0
Charges for services	0	1,055,367	0	44,086	39,909
Investment income (loss)	0	0	0	0	0
Miscellaneous	0	0	0	65,730	0
<i>Total revenues</i>	<i>113,510</i>	<i>2,647,276</i>	<i>502,344</i>	<i>746,548</i>	<i>39,909</i>
EXPENDITURES					
Current:					
General government	0	1,052,226	0	0	0
Public safety	0	0	0	3,437,397	0
Public works	0	0	0	0	0
Health and welfare	0	0	302,604	0	0
Culture and recreation	0	0	0	0	0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	202,873	1,528,112	175,720	13,319	12,872
<i>Total expenditures</i>	<i>202,873</i>	<i>2,580,338</i>	<i>478,324</i>	<i>3,450,716</i>	<i>12,872</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(89,363)</i>	<i>66,938</i>	<i>24,020</i>	<i>(2,704,168)</i>	<i>27,037</i>
Other Financing Sources (Uses):					
Transfer in	34,355	534,664	0	2,969,321	0
Transfer (out)	0	(69,164)	0	0	0
Loan proceeds	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>34,355</i>	<i>465,500</i>	<i>0</i>	<i>2,969,321</i>	<i>0</i>
<i>Net changes in fund balances</i>	<i>(55,008)</i>	<i>532,438</i>	<i>24,020</i>	<i>265,153</i>	<i>27,037</i>
Fund balance - beginning of year	46,103	295,036	0	105,160	169,468
<i>Fund balance - end of year</i>	<i>(\$8,905)</i>	<i>\$827,474</i>	<i>\$24,020</i>	<i>\$370,313</i>	<i>\$196,505</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Economic Development Grant	Emergency Medical Service	Farm and Range	Fire Administration	Fire Protection
REVENUES					
Taxes:					
Property	\$0	\$0	\$0	\$0	\$0
Gross receipts	0	0	0	0	313,109
Gasoline and motor vehicle	0	0	0	0	0
Lodgers	0	0	0	0	0
Intergovernmental:					
Federal operating grants	0	0	19,316	0	0
Federal capital grants	0	0	0	0	0
State operating grants	3,917	39,886	0	88,582	0
State capital grants	0	0	0	0	0
Charges for services	0	0	0	0	0
Investment income (loss)	0	0	0	0	28
Miscellaneous	0	3,033	0	0	0
<i>Total revenues</i>	<i>3,917</i>	<i>42,919</i>	<i>19,316</i>	<i>88,582</i>	<i>313,137</i>
EXPENDITURES					
Current:					
General government	30,492	0	24,768	0	0
Public safety	0	25,620	0	17,061	131,610
Public works	0	0	0	0	0
Health and welfare	0	0	0	0	0
Culture and recreation	0	0	0	0	0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	25,970	0
<i>Total expenditures</i>	<i>30,492</i>	<i>25,620</i>	<i>24,768</i>	<i>43,031</i>	<i>131,610</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(26,575)</i>	<i>17,299</i>	<i>(5,452)</i>	<i>45,551</i>	<i>181,527</i>
Other Financing Sources (Uses):					
Transfer in	0	0	0	0	0
Transfer (out)	0	0	0	0	0
Loan proceeds	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Net changes in fund balances</i>	<i>(26,575)</i>	<i>17,299</i>	<i>(5,452)</i>	<i>45,551</i>	<i>181,527</i>
Fund balance - beginning of year	0	(18,689)	10,492	168,164	1,574,885
<i>Fund balance - end of year</i>	<i>(\$26,575)</i>	<i>(\$1,390)</i>	<i>\$5,040</i>	<i>\$213,715</i>	<i>\$1,756,412</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Grant County Health Council	Hospital Indigent	Law Enforcement Protection	Lodgers Tax	Reappraisal	Recreation
REVENUES						
Taxes:						
Property	\$0	\$0	\$0	\$0	\$0	\$0
Gross receipts	0	620,727	0	0	0	0
Gasoline and motor vehicle	0	0	0	0	0	0
Lodgers	0	0	0	88,137	0	0
Intergovernmental:						
Federal operating grants	0	0	0	0	0	0
Federal capital grants	0	0	0	0	0	0
State operating grants	0	0	41,000	0	0	4,784
State capital grants	0	0	0	0	0	0
Charges for services	0	0	0	0	111,419	0
Investment income (loss)	0	0	0	0	0	0
Miscellaneous	9,462	0	0	0	0	0
<i>Total revenues</i>	<i>9,462</i>	<i>620,727</i>	<i>41,000</i>	<i>88,137</i>	<i>111,419</i>	<i>4,784</i>
EXPENDITURES						
Current:						
General government	0	0	0	0	0	0
Public safety	0	0	41,441	0	124,919	0
Public works	0	0	0	0	0	0
Health and welfare	13,610	469,776	0	0	0	0
Culture and recreation	0	0	0	41,875	0	5,204
Debt Service						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
<i>Total expenditures</i>	<i>13,610</i>	<i>469,776</i>	<i>41,441</i>	<i>41,875</i>	<i>124,919</i>	<i>5,204</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(4,148)</i>	<i>150,951</i>	<i>(441)</i>	<i>46,262</i>	<i>(13,500)</i>	<i>(420)</i>
Other Financing Sources (Uses):						
Transfer in	0	0	0	0	0	0
Transfer (out)	0	0	0	0	0	0
Loan proceeds	0	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Net changes in fund balances</i>	<i>(4,148)</i>	<i>150,951</i>	<i>(441)</i>	<i>46,262</i>	<i>(13,500)</i>	<i>(420)</i>
Fund balance - beginning of year	33,712	285,844	638	87,746	215,148	48
<i>Fund balance - end of year</i>	<i>\$29,564</i>	<i>\$436,795</i>	<i>\$197</i>	<i>\$134,008</i>	<i>\$201,648</i>	<i>(\$372)</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Regional Dispatch	Rural Fire Department	Safe Borders	Solid Waste	Totals
REVENUES					
Taxes:					
Property	\$0	\$0	\$0	\$0	\$0
Gross receipts	643,667	0	0	0	2,214,235
Gasoline and motor vehicle	0	0	0	180,919	180,919
Lodgers	0	0	0	0	88,137
Intergovernmental:					
Federal operating grants	0	0	447,914	0	969,574
Federal capital grants	0	0	0	0	1,500,924
State operating grants	2,601	1,705,582	0		1,886,352
State capital grants	0	0	0	0	204,495
Charges for services	81,786	0	0	451,335	1,783,902
Investment income (loss)	0	301	0	0	329
Miscellaneous	117,640	0	0	0	195,865
<i>Total revenues</i>	<i>845,694</i>	<i>1,705,883</i>	<i>447,914</i>	<i>632,254</i>	<i>9,024,732</i>
EXPENDITURES					
Current:					
General government	0	0	0	0	1,107,486
Public safety	792,285	549,930	215,766	0	5,336,029
Public works	0	0	0	801,488	801,488
Health and welfare	0	0	0	0	785,990
Culture and recreation	0	0	0	0	47,079
Debt Service					
Principal	0	150,192	0	0	150,192
Interest	0	14,926	0	0	14,926
Capital outlay	0	418,316	147,650	0	2,524,832
<i>Total expenditures</i>	<i>792,285</i>	<i>1,133,364</i>	<i>363,416</i>	<i>801,488</i>	<i>10,768,022</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>53,409</i>	<i>572,519</i>	<i>84,498</i>	<i>(169,234)</i>	<i>(1,743,290)</i>
Other Financing Sources (Uses):					
Transfer in	50,000	0	0	383,795	3,972,135
Transfer (out)	0	(41,018)	0	(169,795)	(279,977)
Loan proceeds	0	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>50,000</i>	<i>(41,018)</i>	<i>0</i>	<i>214,000</i>	<i>3,692,158</i>
<i>Net changes in fund balances</i>	<i>103,409</i>	<i>531,501</i>	<i>84,498</i>	<i>44,766</i>	<i>1,948,868</i>
Fund balance - beginning of year	101,647	2,131,850	(74,375)	199,484	5,332,361
<i>Fund balance - end of year</i>	<i>\$205,056</i>	<i>\$2,663,351</i>	<i>\$10,123</i>	<i>\$244,250</i>	<i>\$7,281,229</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
RURAL FIRE DEPARTMENTS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Fort Bayard Fire	Gila/ Cliff Fire	Lower Mimbres Fire	Pinos Altos Fire	Santa Rita Fire
ASSETS					
Cash	\$93,272	\$303,747	\$263,457	\$247,686	\$130,643
Cash held by trustee	6	0	0	5	9
Interfund receivable	0	0	0	38,070	36,618
Due from other governments	0	0	0	0	0
<i>Total assets</i>	\$93,278	\$303,747	\$263,457	\$285,761	\$167,270
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$4,447	\$4,443	\$4,429	\$4,395	\$4,447
Interfund payable	0	0	0	0	0
<i>Total liabilities</i>	4,447	4,443	4,429	4,395	4,447
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property taxes	0	0	0	0	0
<i>Total deferred inflows of resources</i>	0	0	0	0	0
Fund Balance:					
Spendable					
Restricted for:					
Public safety	88,831	299,304	259,028	281,366	162,823
Debt service expenditures	0	0	0	0	0
Capital projects	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total fund balance</i>	88,831	299,304	259,028	281,366	162,823
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	\$93,278	\$303,747	\$263,457	\$285,761	\$167,270

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
RURAL FIRE DEPARTMENTS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Sapillo Creek Fire	Tyrone Fire	Upper Mimbres Fire	Whiskey Creek Fire	Totals
ASSETS					
Cash	\$279,276	\$619,146	\$311,731	\$256,507	\$2,505,465
Cash held by trustee	0	39,296	0	3	39,319
Interfund receivable	0	21,859	0	62,075	158,622
Due from other governments	0	0	0	0	0
<i>Total assets</i>	\$279,276	\$680,301	\$311,731	\$318,585	\$2,703,406
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$4,437	\$4,579	\$4,395	\$4,483	\$40,055
Interfund payable	0	0	0	0	0
<i>Total liabilities</i>	4,437	4,579	4,395	4,483	40,055
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property taxes	0	0	0	0	0
<i>Total deferred inflows of resources</i>	0	0	0	0	0
Fund Balance:					
Spendable					
Restricted for:					
Public safety	274,839	675,722	307,336	314,102	2,663,351
Debt service expenditures	0	0	0	0	0
Capital projects	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total fund balance</i>	274,839	675,722	307,336	314,102	2,663,351
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	\$279,276	\$680,301	\$311,731	\$318,585	\$2,703,406

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
RURAL FIRE DEPARTMENTS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Fort Bayard Fire	Gila/ Cliff Fire	Lower Mimbres Fire	Pinos Altos Fire	Santa Rita Fire
REVENUES					
Federal sources	\$0	\$0	\$0	\$0	\$0
State sources	98,027	118,116	118,298	313,745	167,000
Charges for services	0	0	0	0	0
Investment income (loss)	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total revenues</i>	98,027	118,116	118,298	313,745	167,000
EXPENDITURES					
Current:					
Public safety	43,539	42,889	39,244	88,246	58,328
Debt Service					
Principal	19,327	0	0	16,017	25,035
Interest	58	0	0	178	1,334
Capital outlay	0	0	0	99,588	0
<i>Total expenditures</i>	62,924	42,889	39,244	204,029	84,697
<i>Excess (deficiency) of revenues over expenditures</i>	35,103	75,227	79,054	109,716	82,303
Other Financing Sources (Uses):					
Transfer in	0	0	0	0	0
Transfer (out)	0	0	0	0	(39,274)
Loan proceeds	0	0	0	0	0
<i>Total other financing sources (uses)</i>	0	0	0	0	(39,274)
<i>Net changes in fund balances</i>	35,103	75,227	79,054	109,716	43,029
Fund balance - beginning of year	53,728	224,077	179,974	171,650	119,794
<i>Fund balance - end of year</i>	\$88,831	\$299,304	\$259,028	\$281,366	\$162,823

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
RURAL FIRE DEPARTMENTS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Sapillo Creek Fire	Tyrone Fire	Upper Mimbres Fire	Whiskey Creek Fire	Totals
REVENUES					
Federal sources	\$0	\$0	\$0	\$0	\$0
State sources	79,259	468,829	158,518	183,790	1,705,582
Charges for services	0	0	0	0	0
Investment income (loss)	0	301	0	0	301
Miscellaneous	0	0	0	0	0
<i>Total revenues</i>	79,259	469,130	158,518	183,790	1,705,883
EXPENDITURES					
Current:					
Public safety	30,249	163,870	42,460	41,105	549,930
Debt Service					
Principal	0	81,555	0	8,258	150,192
Interest	0	10,475	0	2,881	14,926
Capital outlay	0	318,186	542	0	418,316
<i>Total expenditures</i>	30,249	574,086	43,002	52,244	1,133,364
<i>Excess (deficiency) of revenues over expenditures</i>	49,010	(104,956)	115,516	131,546	572,519
Other Financing Sources (Uses):					
Transfer in	0	0	0	0	0
Transfer (out)	0	(1,744)	0	0	(41,018)
Loan proceeds	0	0	0	0	0
<i>Total other financing sources (uses)</i>	0	(1,744)	0	0	(41,018)
<i>Net changes in fund balances</i>	49,010	(106,700)	115,516	131,546	531,501
Fund balance - beginning of year	225,829	782,422	191,820	182,556	2,131,850
<i>Fund balance - end of year</i>	\$274,839	\$675,722	\$307,336	\$314,102	\$2,663,351

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
CAPITAL PROJECT FUNDS
JUNE 30, 2021

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Road Projects – To account for co-operative agreements with the New Mexico Department of Transportation to construct or improve elected projects.

Hurley Waste Water – To account for the federal revenue and expenditure therefrom to improve the Waste Water facility in Hurley.

Loma Verde – To account for NMFA loan funds and gross receipts tax for improvements to the subdivision.

Renovations – To account for various improvement/renovation projects throughout the County funded by various sources including grant funds.

Wild Canyon – To account for the assessment of revenues and expenditures to improve roads in this area of the County.

2019 Bond Series – To account bond proceeds to be utilized for remodel and additions to county buildings, construction and repair for public roads and construction and acquisition of water, sewer or sanitary landfill systems.

GRANT COUNTY
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Capital Road	Hurley Waste Water	Loma Verde Assessment
ASSETS			
Cash and cash equivalents	\$20,604	\$154,680	\$30,313
Cash held with trustee	0	0	0
Interfund receivable	0	0	0
Due from other governments	0	0	0
<i>Total assets</i>	\$20,604	\$154,680	\$30,313
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$142,173	\$0	\$0
Interfund payable	0	16,813	0
<i>Total liabilities</i>	142,173	16,813	0
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue:			
Grant revenue	0	133,200	0
Property taxes	0	0	0
<i>Total deferred inflows of resources</i>	0	133,200	0
Fund Balance:			
Nonspendable			
Prepaid expenses	0	0	0
Spendable			
Restricted for:			
General government	0	0	0
Environment	0	0	0
Recreation	0	0	0
Public safety	0	0	0
Health and welfare	0	0	0
Debt service expenditures	0	0	0
Capital projects	0	4,667	30,313
Unassigned	(121,569)	0	0
<i>Total fund balance</i>	(121,569)	4,667	30,313
<i>Total liabilities, deferred inflows of resources, and fund balance</i>	\$20,604	\$154,680	\$30,313

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Renovations	Wind Canyon Assessment	Totals
ASSETS			
Cash and cash equivalents	\$154,874	\$30,228	\$390,699
Cash held with trustee	0	0	0
Interfund receivable	40,752	0	40,752
Due from other governments	106,751	0	106,751
<i>Total assets</i>	\$302,377	\$30,228	\$538,202
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$8,263	\$0	\$150,436
Interfund payable	90,375	0	107,188
<i>Total liabilities</i>	98,638	0	257,624
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue:			
Grant revenue	0	0	133,200
Property taxes	0	0	0
<i>Total deferred inflows of resources</i>	0	0	133,200
Fund Balance:			
Nonspendable			
Prepaid expenses	0	0	0
Spendable			
Restricted for:			
General government	0	0	0
Environment	0	0	0
Recreation	0	0	0
Public safety	0	0	0
Health and welfare	0	0	0
Debt service expenditures	0	0	0
Capital projects	203,739	30,228	268,947
Unassigned	0	0	(121,569)
<i>Total fund balance</i>	203,739	30,228	147,378
<i>Total liabilities, deferred inflows of resources, and fund balance</i>	\$302,377	\$30,228	\$538,202

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

NONMAJOR CAPITAL PROJECT FUND

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Capital Road	Hurley Waste Water	Loma Verde Assessment
REVENUES			
Taxes:			
Property	\$0	\$0	\$0
Gross receipts	0	0	0
Gasoline and motor vehicle	0	0	0
Intergovernmental:			
Federal operating grants	0	0	0
Federal capital grants	0	0	0
State operating grants	0	0	0
State capital grants	137,511	0	0
Charges for services	0	0	8,330
Investment income (loss)	0	0	0
<i>Total revenues</i>	137,511	0	8,330
EXPENDITURES			
Current:			
General government	0	0	0
Public safety	0	0	0
Public works	0	0	0
Health and welfare	0	0	0
Culture and recreation	0	0	0
Capital outlay	284,542	0	0
<i>Total expenditures</i>	284,542	0	0
<i>Excess (deficiency) of revenues over expenditures</i>	(147,031)	0	8,330
Other Financing Sources (Uses):			
Transfer in	111,333	0	0
Transfer (out)	(81,544)	0	(16,960)
Loan proceeds	0	0	0
<i>Total other financing sources (uses)</i>	29,789	0	(16,960)
<i>Net changes in fund balances</i>	(117,242)	0	(8,630)
Fund balance - beginning of year	(4,327)	4,667	38,943
<i>Fund balance - end of year</i>	(\$121,569)	\$4,667	\$30,313

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

NONMAJOR CAPITAL PROJECT FUND

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Renovations	Wind Canyon Assessment	Totals
REVENUES			
Taxes:			
Property	\$0	\$0	\$0
Gross receipts	0	0	0
Gasoline and motor vehicle	0	0	0
Intergovernmental:			0
Federal operating grants	0	0	0
Federal capital grants	0	0	0
State operating grants	0	0	0
State capital grants	1,809,001	0	1,946,512
Charges for services	0	2,177	10,507
Investment income (loss)	0	0	0
<i>Total revenues</i>	1,809,001	2,177	1,957,019
EXPENDITURES			
Current:			
General government	0	0	0
Public safety	0	0	0
Public works	0	0	0
Health and welfare	0	0	0
Culture and recreation	0	0	0
Capital outlay	2,069,005	0	2,353,547
<i>Total expenditures</i>	2,069,005	0	2,353,547
<i>Excess (deficiency) of revenues over expenditures</i>	(260,004)	2,177	(396,528)
Other Financing Sources (Uses):			
Transfer in	326,707	0	438,040
Transfer (out)	(310,415)	(4,777)	(413,696)
Loan proceeds	0	0	0
<i>Total other financing sources (uses)</i>	16,292	(4,777)	24,344
<i>Net changes in fund balances</i>	(243,712)	(2,600)	(372,184)
Fund balance - beginning of year	447,451	32,828	519,562
<i>Fund balance - end of year</i>	\$203,739	\$30,228	\$147,378

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
DEBT SERVICE FUNDS
JUNE 30, 2021

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Detention Center Revenue Bond – To account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs of general obligation bonds. The primary source of revenue is property taxes. The authorization for this fund is the bond ordinance.

Hold Harmless – To account for the resources and payment of Gross Receipts Tax Revenue Bonds series 2014. The primary source of revenue is hold harmless gross receipts tax. The funds was authorized by the bond ordinance.

N. Hurley Waste Water Reserve – To account for bond reserves required by the N. Hurley Waste Water System improvement revenue bonds funded by the net revenues from the N. Hurley Waste Water system.

N. Hurley Waste Water System – To account for the resources and payments of waste water system improvement revenue bonds series 2013 purchased by USDA. The primary source of revenue is the net revenues from the N. Hurley Waste Water System.

NMFA Loan Payments – To account for the resources and payments of NMFA loans. The primary source of revenue is intercept of state funds - predominantly fire department allotments.

Viva Santa Rita – To account for the resources and payment of NMFA loans for Viva Santa Rita improvements. Revenue for payment provided through assessments to property owners.

GRANT COUNTY
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Detention Center Revenue Bond	Hold Harmless	N.Hurley Waste Water Reserve	N.Hurley Waste Water System
ASSETS				
Cash and cash equivalents	\$223,436	\$1	\$75,591	\$1,375
Investments	1,182,256	0	0	0
Cash held with trustee	0	0	0	0
Interfund receivable	0	0	0	1,057
Taxes receivable	85,876	0	0	0
Due from other governments	0	0	0	0
Total assets	\$1,491,568	\$1	\$75,591	\$2,432
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$0
Salaries payable	0	0	0	0
Interfund payable	0	0	0	0
Total liabilities	0	0	0	0
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Property taxes	59,226	0	0	0
Total deferred inflows of resources	59,226	0	0	0
Fund Balance:				
Nonspendable				
Prepaid expenses	0	0	0	0
Spendable				
Restricted for:				
General county operations	0	0	0	0
Environment	0	0	0	0
Recreation	0	0	0	0
Public safety	0	0	0	0
Healthcare	0	0	0	0
Debt service expenditures	1,432,342	1	75,591	2,432
Total fund balance	1,432,342	1	75,591	2,432
Total liabilities, deferred inflows of resources, and fund balance	\$1,491,568	\$1	\$75,591	\$2,432

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	NMFA Loan Payment	Viva Santa Rita Assessment	Totals
ASSETS			
Cash and cash equivalents	\$75,415	\$10,032	\$385,850
Investments	0	0	1,182,256
Cash held with trustee	104,099	0	104,099
Interfund receivable	1,427	4,119	6,603
Taxes receivable	0	0	85,876
Due from other governments	0	0	0
Total assets	\$180,941	\$14,151	\$1,764,684
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$0	\$0	\$0
Salaries payable	0	0	0
Interfund payable	73,456	0	73,456
Total liabilities	73,456	0	73,456
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue:			
Property taxes	0	0	59,226
Total deferred inflows of resources	0	0	59,226
Fund Balance:			
Nonspendable			
Prepaid expenses	0	0	0
Spendable			
Restricted for:			
General county operations	0	0	0
Environment	0	0	0
Recreation	0	0	0
Public safety	0	0	0
Healthcare	0	0	0
Debt service expenditures	107,485	14,151	1,632,002
Total fund balance	107,485	14,151	1,632,002
Total liabilities, deferred inflows of resources, and fund balance	\$180,941	\$14,151	\$1,764,684

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

NONMAJOR DEBT SERVICE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Detention Center Revenue Bond	Hold Harmless	N.Hurley Waste Water Reserve	N.Hurley Waste Water System
REVENUES				
Taxes:				
Property	\$1,014,288	\$0	\$0	\$0
Gross receipts	0	0	0	0
Gasoline and motor vehicle	0	0	0	0
Intergovernmental:				
Federal operating grants	0	0	0	0
Federal capital grants	0	0	0	0
State operating grants	0	0	0	0
State capital grants	0	0	0	0
Charges for services	0	0	0	0
Investment income (loss)	57,973	0	0	0
Miscellaneous	0	0	0	0
<i>Total revenues</i>	<i>1,072,261</i>	<i>0</i>	<i>0</i>	<i>0</i>
EXPENDITURES				
Current:				
General government	1	0	0	0
Public safety	0	0	0	0
Public works	0	0	0	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
Debt Service				
Principal	1,595,000	150,000	0	5,000
Interest & fees	274,924	193,424	0	9,156
<i>Total expenditures</i>	<i>1,869,925</i>	<i>343,424</i>	<i>0</i>	<i>14,156</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(797,664)</i>	<i>(343,424)</i>	<i>0</i>	<i>(14,156)</i>
Other Financing Sources (Uses):				
Transfer in	0	342,697	0	27,249
Transfer (out)	0	0	0	(13,093)
Proceed of Sale	0	0	0	0
<i>Total other financing sources (uses)</i>	<i>0</i>	<i>342,697</i>	<i>0</i>	<i>14,156</i>
<i>Net changes in fund balances</i>	<i>(797,664)</i>	<i>(727)</i>	<i>0</i>	<i>0</i>
Fund balance - beginning of year	2,230,006	728	75,591	2,432
<i>Fund balance - end of year</i>	<i>\$1,432,342</i>	<i>\$1</i>	<i>\$75,591</i>	<i>\$2,432</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

NONMAJOR DEBT SERVICE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	NMFA Loan Payment	Viva Santa Rita Assessment	Totals
REVENUES			
Taxes:			
Property	\$0	\$0	\$1,014,288
Gross receipts	0	0	0
Gasoline and motor vehicle	0	0	0
Intergovernmental:			0
Federal operating grants	0	0	0
Federal capital grants	0	0	0
State operating grants	0	0	0
State capital grants	0	0	0
Charges for services	0	1,184	1,184
Investment income (loss)	0	0	57,973
Miscellaneous	0	0	0
<i>Total revenues</i>	0	1,184	1,073,445
EXPENDITURES			
Current:			
General government	0	0	1
Public safety	0	0	0
Public works	0	0	0
Health and welfare	0	0	0
Culture and recreation	0	0	0
Debt Service			
Principal	276,891	0	2,026,891
Interest & fees	32,162	0	509,666
<i>Total expenditures</i>	309,053	0	2,536,558
<i>Excess (deficiency) of revenues over expenditures</i>	(309,053)	1,184	(1,463,113)
Other Financing Sources (Uses):			
Transfer in	317,703	0	687,649
Transfer (out)	0	(18,074)	(31,167)
Proceed of Sale	0	0	0
<i>Total other financing sources (uses)</i>	317,703	(18,074)	656,482
<i>Net changes in fund balances</i>	8,650	(16,890)	(806,631)
Fund balance - beginning of year	98,835	31,041	2,438,633
<i>Fund balance - end of year</i>	<i>\$107,485</i>	<i>\$14,151</i>	<i>\$1,632,002</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES
COMBINING BALANCE SHEET
JUNE 30, 2021

	Special Revenue	Capital Projects	Debt Service	Total
ASSETS				
Cash and cash equivalents	\$4,467,708	\$390,699	\$385,850	\$5,244,257
Cash held by trustee	39,319	0	104,099	143,418
Investments	1,454,547	0	1,182,256	2,636,803
Accounts receivable, net of allowance of \$370,939	173,939	0	0	173,939
Interfund receivable	185,235	40,752	6,603	232,590
Taxes receivable	402,713	0	85,876	488,589
Due from other governments	967,150	106,751	0	1,073,901
Total assets	\$7,690,611	\$538,202	\$1,764,684	\$9,993,497
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$61,199	\$150,436	\$0	\$211,635
Salaries payable	72,506	0	0	72,506
Interfund payable	99,506	107,188	73,456	280,150
Total liabilities	233,211	257,624	73,456	564,291
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Grant revenue	176,171	133,200	0	309,371
Property taxes	0	0	59,226	59,226
Total deferred inflows of resources	176,171	133,200	59,226	368,597
Fund Balance:				
Nonspendable				
Prepaid expenses	0	0	0	0
Spendable				
Restricted for:				
General government	1,230,667	0	0	1,230,667
Environment	244,250	0	0	244,250
Recreation	134,008	0	0	134,008
Public safety	5,248,731	0	0	5,248,731
Healthcare and welfare	460,815	0	0	460,815
Debt service expenditures	0	0	1,632,002	1,632,002
Capital projects	0	268,947	0	268,947
Unassigned	(37,242)	(121,569)	0	(158,811)
Total fund balance	7,281,229	147,378	1,632,002	9,060,609
Total liabilities, deferred inflows of resources, and fund balance	\$7,690,611	\$538,202	\$1,764,684	\$9,993,497

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY

TOTAL ALL NONMAJOR GOVERNMENTAL FUND TYPES COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue	Capital Projects	Debt Service	Total
REVENUES				
Taxes:				
Property	\$0	\$0	\$1,014,288	\$1,014,288
Gross receipts	2,214,235	0	0	2,214,235
Gasoline and motor vehicle	180,919	0	0	180,919
Lodgers	88,137	0	0	88,137
Intergovernmental:				
Federal operating grants	969,574	0	0	969,574
Federal capital grants	1,500,924	0	0	1,500,924
State operating grants	1,886,352	0	0	1,886,352
State capital grants	204,495	1,946,512	0	2,151,007
Charges for services	1,783,902	10,507	1,184	1,795,593
Investment income (loss)	329	0	57,973	58,302
Miscellaneous	195,865	0	0	195,865
<i>Total revenues</i>	9,024,732	1,957,019	1,073,445	12,055,196
EXPENDITURES				
Current:				
General government	1,107,486	0	1	1,107,487
Public safety	5,336,029	0	0	5,336,029
Public works	801,488	0	0	801,488
Health and welfare	785,990	0	0	785,990
Culture and recreation	47,079	0	0	47,079
Debt Service:				
Principal	150,192	0	2,026,891	2,177,083
Interest	14,926	0	509,666	524,592
Capital outlay	2,524,832	2,353,547	0	4,878,379
<i>Total expenditures</i>	10,768,022	2,353,547	2,536,558	15,658,127
<i>Excess (deficiency) of revenues over expenditures</i>	(1,743,290)	(396,528)	(1,463,113)	(3,602,931)
Other Financing Sources (Uses):				
Transfers in	3,972,135	438,040	687,649	5,097,824
Transfers (out)	(279,977)	(413,696)	(31,167)	(724,840)
Loan proceeds	0	0	0	0
<i>Total other financing sources (uses)</i>	3,692,158	24,344	656,482	4,372,984
<i>Net changes in fund balances</i>	1,948,868	(372,184)	(806,631)	770,053
Fund balance - beginning of year, as previously stated	5,332,361	519,562	2,438,633	8,290,556
Restatements	0	0	0	0
Fund balance - beginning of year, as restated	5,332,361	519,562	2,438,633	8,290,556
<i>Fund balance - end of year</i>	\$7,281,229	\$147,378	\$1,632,002	\$9,060,609

The Notes to Financial Statements are an integral part of these statements.

OTHER SUPPLEMENTARY INFORMATION

GRANT COUNTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY OF PUBLIC FUNDS
JUNE 30, 2021

	Wells Fargo Bank
Amounts of deposits	\$5,976,184
Less: FDIC Insurance - demand deposit	250,000
FDIC Insurance - time deposits	0
<i>Total uninsured public funds</i>	<i>\$5,726,184</i>
50% collateralization requirement (Section 6-10-17 NMSA)	\$2,863,092
Pledged Securities:	
FNMA FNMS, Cusip No. 3138MRL25, maturing 1/1/2043	4,908,835
FNMA FNMS, Cusip No. 31418B5D4, maturing 6/1/2036	966,593
FMAC FGPC, Cusip No. 3132A5HB4, maturing 7/1/2047	367,245
FNMA FNMS, Cusip No. 3140J8X65, maturing 8/1/2026	481,159
<i>Total pledged securities</i>	<i>6,723,832</i>
<i>Pledged securities over (under) requirement</i>	<i>\$3,860,740</i>

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2021

Financial Institution: Account Name	Type of Account	Bank Balance	Reconciling Items	Book Balance
<u>Wells Fargo Bank</u>				
Operational	Checking (1)	\$3,776,212	(\$222,535)	\$3,553,677
Grant County Treasurer	Checking (1)	1	0	1
Construction	Checking (1)	0	0	0
Dos Griegos	Savings	11,198	0	11,198
Warrants	Checking (1)	0	0	0
North Hurley Water	Checking (1)	0	0	0
P card account	Checking (1)	0	0	0
Detention Center Issuance Cost	Checking (2)	1,062,106	298	1,062,404
2019 Bond Series	Checking (1)	1,126,667	0	1,126,667
<i>Total Wells Fargo Bank</i>		5,976,184	(222,237)	5,753,947
<u>Moreton Capital Markets</u>				
General	Govt Money Mkt	1,972,600	0	1,972,600
General	CD's	8,363,900	0	8,363,900
<i>Total Moreton Capital Markets</i>		10,336,500	0	10,336,500
<u>NM Local Government Investment Pool</u>				
General		80,787	0	80,787
Fire		18,950	0	18,950
<i>Total NM LGIP</i>		99,737	0	99,737
<u>NMFA</u>				
Cash on deposit with paying agent	NMFA	148,785	0	148,785
Petty cash on hand		1,000	0	1,000
<i>Total cash and investments</i>		\$16,562,206	(\$222,237)	\$16,339,969
Cash and cash equivalents				\$7,593,397
Investments				8,463,637
Cash held by trustee				148,785
Custodial funds - cash				134,150
				\$16,339,969

(1) Non-interest bearing
(2) Interest bearing

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
SCHEDULE OF TAX ROLL RECONCILIATION - PROPERTY TAXES RECEIVABLE
JUNE 30, 2021

Property taxes receivable, beginning of year	\$1,432,358
Changes to tax roll:	
Net taxes charged to Treasurer for fiscal year	11,498,603
Adjustments:	
Decrease in property tax receivable	(16,249)
<i>Total taxes charged to Treasurer for fiscal year</i>	<i>11,482,354</i>
Total receivables before collections	
Collections/Distributions/Changes	11,524,414
Property taxes receivable, end of year	\$1,390,298
Property taxes receivable by years:	
2011 - 2019	\$813,461
2020	576,837
Total taxes receivable	\$1,390,298

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
JUNE 30, 2021

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
GRANT COUNTY									
General Ad valorem									
2011 - 2019	\$45,426,731	\$258,220	\$45,021,084	\$363,296	\$44,982,100	(\$1)	\$11,572	\$38,984	\$394,076
2020	5,389,716	5,130,303	5,130,303	5,123,878	5,123,878	154	154	6,425	259,259
<i>Total General Ad valorem</i>	50,816,447	5,388,522	50,151,386	5,487,174	50,105,978	153	11,726	45,408	653,335
Debt Service P & I									
2011 - 2019	6,951,910	35,594	6,902,295	50,244	6,896,828	0	2,067	5,467	47,548
2020	797,802	759,447	759,447	758,425	758,425	27	27	1,022	38,328
<i>Total Debt Service</i>	7,749,712	795,041	7,661,742	808,669	7,655,253	27	2,094	6,489	85,876
Total Grant County	\$58,566,159	\$6,183,563	\$57,813,129	\$6,295,844	\$57,761,231	\$181	\$13,820	\$51,897	\$739,210
STATE OF NEW MEXICO									
P & I on Bonds									
2011 - 2019	\$7,559,684	\$43,192	\$7,502,357	\$61,069	\$7,495,727	\$0	\$1,937	\$6,630	\$55,390
2020	906,441	862,864	862,864	861,703	861,703	31	31	1,161	43,547
<i>Total P & I on Bonds</i>	8,466,125	906,056	8,365,221	922,772	8,357,429	31	1,968	7,791	98,937
State Special Levies*									
2011 - 2019	529,367	2,613	520,523	3,175	518,953	0	389	1,570	8,454
2020	45,803	42,972	42,972	42,972	42,972	0	0	0	2,830
<i>Total State Special Levies</i>	575,169	45,585	563,495	46,147	561,925	0	389	1,570	11,284
Total State of New Mexico	\$9,041,295	\$951,641	\$8,928,716	\$968,919	\$8,919,354	\$31	\$2,357	\$9,362	\$110,222
SCHOOL DISTRICTS									
Silver Consolidated Schools									
General Ad valorem									
2011 - 2019	\$1,408,353	\$8,110	\$1,396,514	\$11,282	\$1,395,305	(\$0)	\$314	\$1,209	\$11,525
2020	186,152	178,202	178,202	177,995	177,995	4	4	207	7,946
<i>Total General Ad valorem</i>	1,594,505	186,312	1,574,716	189,277	1,573,300	4	318	1,416	19,470
Debt Service P & I									
2011 - 2019	12,043,047	54,020	11,958,597	75,123	11,950,444	0	3,264	8,153	81,186
2020	247,454	236,978	236,978	236,686	236,686	7	7	292	10,470
<i>Total Debt Service</i>	12,290,501	290,997	12,195,575	311,809	12,187,130	7	3,270	8,445	91,656
Capital Improvements									
2011 - 2019	8,729,337	46,099	8,664,705	64,328	8,657,742	0	2,059	6,962	62,573
2020	1,031,820	988,133	988,133	986,917	986,917	27	27	1,217	43,660
<i>Total Capital Improvements</i>	9,761,157	1,034,232	9,652,838	1,051,245	9,644,659	28	2,087	8,179	106,233
House Bill 33									
2011 - 2019	6,759,124	34,706	6,709,332	48,456	6,704,095	0	1,594	5,237	48,198
2020	773,871	741,106	741,106	740,193	740,193	21	21	912	32,745
<i>Total House Bill 33</i>	7,532,995	775,811	7,450,438	788,649	7,444,288	21	1,615	6,150	80,942
Total Silver Consolidated Schools	\$31,179,158	\$2,287,353	\$30,873,566	\$2,340,980	\$30,849,376	\$60	\$7,290	\$24,190	\$298,302
Cobre Consolidated Schools									
General Ad valorem									
2011 - 2019	\$315,668	\$2,380	\$312,915	\$3,509	\$312,531	\$0	\$110	\$384	\$2,643
2020	39,290	36,303	36,303	36,237	36,237	3	3	66	2,985
<i>Total General Ad valorem</i>	354,958	38,683	349,218	39,746	348,768	3	112	450	5,628
Debt Service P & I									
2011 - 2019	6,122,951	48,090	6,069,129	71,082	6,061,421	0	2,200	7,708	51,622
2020	799,755	738,808	738,808	737,384	737,384	55	55	1,423	60,893
<i>Total Debt Service</i>	6,922,707	786,897	6,807,937	808,466	6,798,806	55	2,255	9,131	112,515
Capital Improvements									
2011 - 2019	1,944,370	14,167	1,928,019	20,896	1,925,727	0	708	2,293	15,643
2020	225,656	208,459	208,459	208,058	208,058	15	15	402	17,181
<i>Total Capital Improvements</i>	2,170,026	222,626	2,136,478	228,953	2,133,784	16	723	2,694	32,824
Tech Debt									
2011 - 2019	164,905	16	164,341	16	164,340	0	179	1	385
2020	0	0	0	0	0	0	0	0	0
<i>Total Tech Debt</i>	164,905	16	164,341	16	164,340	0	179	1	385
Total Cobre Consolidated Schools	\$9,612,596	\$1,048,223	\$9,457,975	\$1,077,182	\$9,445,698	\$73	\$3,269	\$12,276	\$151,352

GRANT COUNTY
COUNTY TREASURER'S PROPERTY TAX SCHEDULE
JUNE 30, 2021

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
Aldo Leopold School									
Capital Improvements									
2011 - 2019	\$373,388	\$3,196	\$370,233	\$4,496	\$369,750	\$0	\$47	\$483	\$3,108
2020	71,967	68,920	68,920	68,835	68,835	2	2	85	3,045
Total Capital Improvements	445,355	72,116	439,153	73,331	438,585	2	49	568	6,153
House Bill 33									
2011 - 2019	103,527	2,280	102,419	3,185	102,072	0	3	347	1,105
2020	53,875	51,594	51,594	51,530	51,530	1	1	64	2,280
Total House Bill 33	157,402	53,874	154,013	54,715	153,602	1	4	411	3,385
Total Aldo Leopold School	\$602,757	\$125,990	\$593,166	\$128,046	\$592,187	\$3	\$53	\$978	\$9,538
MUNICIPALITIES									
Town of Silver City									
General Ad valorem									
2011 - 2019	\$4,725,061	\$32,923	\$4,707,673	\$47,205	\$4,704,466	\$2	\$1,039	\$3,207	\$16,349
2020	686,076	654,047	654,047	653,459	653,459	17	17	588	32,012
Total General Ad valorem	5,411,137	686,970	5,361,720	700,664	5,357,925	19	1,056	3,795	48,361
Debt Service P & I									
2011 - 2019	305,737	32	305,402	32	305,398	0	220	4	115
2020	0	0	0	0	0	0	0	0	0
Total Debt Service	305,737	32	305,402	32	305,398	0	220	4	115
Total Town of Silver City	\$5,716,874	\$687,001	\$5,667,122	\$700,696	\$5,663,323	\$19	\$1,276	\$3,799	\$48,476
City of Bayard									
General Ad valorem									
2011 - 2019	\$399,714	\$6,613	\$392,897	\$9,042	\$391,795	\$0	\$49	\$1,102	\$6,768
2020	97,554	88,724	88,724	88,423	88,423	2	2	301	8,828
Total General Ad valorem	497,268	95,337	481,621	97,465	480,218	2	50	1,403	15,597
Total City of Bayard	\$497,268	\$95,337	\$481,621	\$97,465	\$480,218	\$2	\$50	\$1,403	\$15,597
Town of Hurley									
General Ad valorem									
2011 - 2019	\$200,205	\$4,109	\$197,429	\$5,381	\$196,778	\$0	\$40	\$650	\$2,736
2020	56,766	51,720	51,720	51,608	51,608	0	0	112	5,047
Total General Ad valorem	256,971	55,829	249,148	56,989	248,386	0	41	762	7,782
Total Town of Hurley	\$256,971	\$55,829	\$249,148	\$56,989	\$248,386	\$0	\$41	\$762	\$7,782
Village of Santa Clara									
General Ad valorem									
2011 - 2019	\$185,997	\$3,963	\$183,197	\$5,284	\$182,432	\$0	\$94	\$766	\$2,706
2020	51,196	47,097	47,097	46,979	46,979	5	5	118	4,094
Total General Ad valorem	237,193	51,060	230,294	52,263	229,411	5	99	884	6,800
Total Village of Santa Clara	\$237,193	\$51,060	\$230,294	\$52,263	\$229,411	\$5	\$99	\$884	\$6,800
LOCAL SPECIAL LEVIES									
Gila Watershed									
2011 - 2019	\$298,901	\$2,697	\$297,557	\$3,126	\$297,414	\$0	\$10	\$143	\$1,333
2020	37,408	35,720	35,720	35,720	35,720	0	0	0	1,688
Timberon Special Levies	336,309	38,417	333,277	38,846	333,134	0	10	143	3,022
Total Gila Watershed	\$336,309	\$38,417	\$333,277	\$38,846	\$333,134	\$0	\$10	\$143	\$3,022
Grand Totals	\$116,046,579	\$11,524,414	\$114,628,014	\$11,757,229	\$114,522,319	\$374	\$28,268	\$105,695	\$1,390,298
Recap By Tax Year									
2011 - 2019	\$104,547,976	\$603,019	\$103,706,618	\$850,228	\$103,615,318	\$3	\$27,897	\$91,300	\$813,461
2020	11,498,603	10,921,395	10,921,395	10,907,001	10,907,001	371	371	14,394	576,837
Total Recap By Tax Year	\$116,046,579	\$11,524,414	\$114,628,013	\$11,757,229	\$114,522,319	\$374	\$28,268	\$105,694	\$1,390,298

* Includes county portion of predator control of \$540

GRANT COUNTY
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Participants	Responsible Party for Operations	Descriptions	Beginning and Ending dates	Total Estimated Amount of Project	Contribution 6/30/2021	Audit Responsibility
<u>Silver Schools</u>						
Grant County, Silver Consolidated School District No. 1	Both agencies	Maintain little league field	Indefinite	Unknown	Matching costs	Both agencies
<u>Municipal</u>						
Grant County, Town of Silver City, City of Bayard Town of Hurley, and the Village of Santa Clara	Grant County	Central dispatch of emergency personnel	Indefinite	On-going Operations	Proportionate	Grant County
<u>Southwest Solid Waste Authority</u>						
Grant County, Town of Silver City, City of Bayard Town of Hurley, and the Village of Santa Clara	Solid Waste Authority	Landfill operation	Indefinite	On-going Operations	None	Solid Waste Authority
<u>Southwest Water Planning Group</u>						
Grant County, Hidalgo County, Luna County, Catron County and all municipalities within these county borders except the Town of Silver City	All Entities	Water planning group	Indefinite	N/A	Non-monetary expertise	N/A

The Notes to Financial Statements are an integral part of these statements.

GRANT COUNTY
SCHEDULE OF LEGISLATIVE GRANTS
JUNE 30, 2021

	Gila Senior Center Code Improvements	Gila Senior Center Meals Equipment	2018 GO Bonds - Gila Valley Library	Bataan Memorial Park Drainage Improvements	CAD System Dispatch	Road Department Vehicles	Trails & Outdoor Recreation Plan
Project number	A18C5027	A19D2074	A18C5074	20-E2579	20-E2581	20-E2576	20-E2582
Award date	10/18/2019	10/18/2019	1/4/2020	10/19/2020	10/19/2020	10/19/2020	3/12/2021
Project expiration date	6/30/2023	6/30/2023	6/30/2022	6/30/2024	6/30/2022	6/30/2022	6/30/2024
Original appropriation	\$120,000	\$7,883	\$6,350	\$350,000	\$310,000	\$100,000	\$200,000
Arts in public place	1,200	0	0	0	0	0	0
Net appropriation	118,800	7,883	6,350	350,000	310,000	100,000	200,000
Funds reverted	0	0	0	0	0	0	0
Appropriation remaining	\$118,800	\$7,883	\$6,350	\$350,000	\$310,000	\$100,000	\$200,000
Expended through June 30, 2021	\$113,510	\$0	\$3,989	\$0	\$216,246	\$0	\$26,710
Encumbrances	0	0	2,351	350,000	93,754	100,000	173,290
Total committed	\$113,510	\$0	\$6,340	\$350,000	\$310,000	\$100,000	\$200,000

ADDITIONAL FEDERAL INFORMATION

GRANT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Program Title	Assistance Listing Number	Passed through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Interior</u>				
Passed through NM Dept. of Finance and Admin:				
Distribution of receipts - Taylor Grazing Act	15.227	N/A	-	\$19,317
Passed through NM Assoc. of Counties:				
Wildland Urban Interface - Firewise	15.228	N/A	-	10,000
<i>Total U.S. Department of Interior</i>			-	\$29,317
<u>U.S. Department of Homeland Security</u>				
Passed through NM Dept. of Homeland Security and Emergency Management:				
Homeland Security Grant Program	97.067	EMW 2017-SS-00032-S01571-VS	-	\$55,295
Homeland Security Grant Program	97.067	EMW 2018-SS-00105-S01GC	-	148,648
Homeland Security Grant Program	97.067	EMW 2019-SS-00083-S01	-	220,969
Homeland Security Grant Program	97.067	EMW 2020-SS-00127-S01	-	12,316
				437,228
Emergency Management Performance Grants	97.042	EMT 2020-EP-0005-S01	-	15,073
<i>Total U.S. Department of Homeland Security</i>			-	\$452,301
<u>U.S. Department of Transportation</u>				
Direct:				
Airport Improvement Grants	20.106	N/A	-	\$1,377,934
CARES - FAA	20.106	N/A	-	24,655
				1,402,589
Passed through NM Dept. of Transportation:				
Public Transportation Formula Grants	20.509	N/A	-	926,689
<i>Total U.S. Department of Transportation</i>			-	\$2,329,278
<u>U.S. Department of Agriculture</u>				
Passed through NM Dept. of Finance:				
Forest Service Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	N/A	-	\$304,116
Forest Service Schools and Roads Cluster			-	304,116
Direct:				
Coop Law Enforcement	10.664	N/A	-	24,729
<i>Total U.S. Department of Agriculture</i>			-	\$328,845

GRANT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Program Title	Assistance Listing Number	Passed through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Justice</u>				
Passed through NMCYFD:				
JJAC Continuum Compliance Grant	16.735	21-690-3200-20814	-	\$131,914
<i>Total U.S. Department of Justice</i>			-	\$131,914
<u>U.S. Department of Treasury</u>				
Passed through NMDFA:				
COVID-19 CARES Act - Bus-08000-GRC	21.019	N/A	-	\$93,188
COVID-19 CARES Act - Local Government	21.019	N/A	-	85,265
<i>Total U.S. Department of Treasury</i>			-	\$178,453
<u>COMPONENT UNIT</u>				
Passed through Universal Service Administration Co.:				
U.S. Federal Communications Commission	32.005	N/A	-	\$79,996
<i>Total U.S. Federal Communications Commission</i>			-	\$79,996
<u>U.S. Department of Health and Human Services</u>				
Direct:				
Provider Relief Fund	93.498	N/A	-	\$5,752,974
<i>Total U.S. Department of Health and Human Services</i>			-	\$5,752,974
<i>Total Expenditures of Federal Awards</i>			-	\$9,283,078

N/A - Not Available

GRANT COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Grant County, under programs of the federal government for the year ended June 30, 2021. 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 Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Grant County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Grant County.

NOTE 2. 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.

NOTE 3. Grant County has elected not to use the de Minimis indirect cost rate allowed under the Uniform Guidance.

**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***

Independent Auditor's Report

Mr. Brian S. Colón, State Auditor and
The County Manager and County Commissioners
Grant County
Silver City, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund of Grant County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Grant County's basic financial statements, and the combining and individual funds of Grant County, presented as supplemental information, and have issued our report thereon dated March 14, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, 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.

Mr. Brian S. Colón, State Auditor and
The County Manager and County Commissioners
Grant County
Silver City, New Mexico
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grant County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the schedule of findings and questioned costs as items 2021-001 (2020-001) and Component Unit Findings 2021-003 (2019-002) and 2021-002 (2020-003).

Grant County's Response to Findings

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

The Medical Center's Response to Findings

The Medical Center's response to the findings are described in the accompanying schedule of findings and questioned costs. The Medical Center'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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grant County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico

March 14, 2022

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

Mr. Brian S. Colón, State Auditor and
The County Manager and County Commissioners
Grant County
Silver City, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Grant County's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Grant County's major federal programs for the year ended June 30, 2021. Grant County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Grant 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 requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Grant 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 Grant County's compliance.

Opinion on Each Major Federal Program

In our opinion, Grant 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, 2021.

Mr. Brian S. Colón, State Auditor and
The County Manager and County Commissioners
Grant County
Silver City, New Mexico
Page Two

Report on Internal Control over Compliance

Management of Grant 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 Grant 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 Grant County's internal control over compliance.

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

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

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

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico

March 14, 2022

GRANT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of Auditor’s Report issued:

Unmodified

Internal Control Over Financial Reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes X No

Noncompliance material to financial statements noted?

_____ Yes X No

Other noncompliance to financial statements?

 X Yes _____ No

FEDERAL AWARDS

Internal Control Over Major Programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes X No

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 section 516(a) of the Uniform Guidance?

_____ Yes X No

Identification of Major Programs:

Assistance Listing Number(s)

20.106

Name of Federal Program or Cluster

Airport Improvement Program

Component Unit – Gila Regional Medical Center

93.498

Provider Relief Fund

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

GRANT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS:

2021-001 (2020-001) Late Audit Report – Other Non-Compliance

Statement of Condition – The audit report was submitted to the State Auditor’s Office after the county due date December 1, 2021.

No progress was made in the current year – see cause.

Criteria – Per the State Audit Rule 2.2.2. NMAC New Mexico County audit reports are due December 1, 2021.

Cause – The report was late due to the following:

- Component Unit – Gila Regional Medical Center delayed report due to Care Funds and delay in publishing of compliance requirements necessary to audit as a major program.
- Kriegel/Gray/Shaw & Co., P.C. staffing issues.

Effect – Non-compliance with NM State Audit Rule.

Recommendation – The auditors and the County should anticipate and prepare for earlier start of field work to offset any unanticipated scheduling issues that may arise.

Management’s Response – We will work on a schedule to begin the audit process at an earlier date in order to provide ample time for any delays that may arise that are out of our control. As for the Component Unit, Gila Regional Medical Center; Grant County is encouraging them to have their audit process begin as early as possible to avoid any delays as well. Although the delay was due to publication compliance requirements, this should not be an issue in the future.

Position Responsible: County Director of Fiscal Services

Timeline: June 30, 2022

GRANT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

COMPONENT UNIT:

CURRENT YEAR FINDINGS:

2021-002 (2020-003) State Compliance Audit Requirement – Accounting and Control of Fixed Assets – Other Noncompliance

Repeated

Criteria - New Mexico State Audit Rule 2.2.10 J (13) NMAC, requires the Medical Center conduct an annual physical inventory of capital assets

Condition - The Medical Center did not complete an annual physical inventory of its capital assets. Management began to implement their corrective action plan subsequent to June 30, 2021.

Context - This finding appears to be an *isolated* instance.

Effect - The Medical Center is not in compliance with the New Mexico state audit rule.

Cause - Due to staffing limitations during the COVID-19 pandemic, the physical inventory was not completed at year end.

Recommendation - The Medical Center should develop a process to ensure a physical count is performed annually.

Management's Response - Management has created a ledger of fixed assets based on past purchases and reconciled asset accounts with this information. The asset tagging process required by the State Audit rule remains to be completed.

The CFO and Controller will be responsible for completing the asset tagging and performing the annual physical inventory of its capital assets by June 30, 2022.

GRANT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

COMPONENT UNIT:

CURRENT YEAR FINDINGS (CONTINUED):

2021-003 (2019-002) 403(b) Plan Requirement– Other Noncompliance

Repeated

Criteria - IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans) states that these plans are available to employees of public schools and certain tax-exempt organizations.

Condition - The Medical Center is not a tax-exempt organization under IRS Section 501(c)(3). The Medical Center is a governmental entity and has not obtained dual-status as a tax-exempt organization under IRS Section 501(c)(3). Management began to take steps to resolve this finding in May 2021. The finding was not resolved as of June 30, 2021.

Context - The finding appears to be a systemic issue.

Effect - The Medical Center's retirement plan is not in compliance with IRS regulations.

Cause - The Medical Center's retirement plan administrators did not recognize that governmental entities are not tax-exempt organizations under IRS Section 501(c)(3) without specifically applying for this status.

Recommendation - The Medical Center either needs to obtain IRS Section 501(c)(3) status or change retirement plans.

Management's Response - The chief executive officer (CEO) and chief financial officer (CFO) have worked with the Governing Board to determine a path forward to correct this issue. The Medical Center Governing Board adopted resolution 2021-08 in May 2021 to authorize management to proceed with the necessary actions to correct this issue.

The CFO is now working with legal counsel to take the necessary steps to correct this finding.

GRANT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**CURRENT YEAR FINDINGS AND QUESTIONED COSTS –
MAJOR FEDERAL AWARD PROGRAM AUDIT:**

None.

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS –
MAJOR FEDERAL AWARD PROGRAM AUDIT:**

None.

GRANT COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINDINGS - FINANCIAL STATEMENT AUDIT

CURRENT STATUS

2020-001 Late Audit Report	Repeated
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FINDINGS RELATED TO THE COMPONENT UNIT

2020-002 Control Environment	Resolved
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2021-003 (2019-002) 403(b) Plan Requirement – Other Non-Compliance	Repeated
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2021-002 (2020-003) State Compliance Audit Requirements – Accounting and Control of Fixed Assets	Repeated
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2020-004 (2019-001) Actual Expenses Exceed Budgeted Expenses	Resolved
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FINDINGS AND QUESTIONED COSTS - Major Federal Award Programs

None.

GRANT COUNTY

CHRIS M. PONCE
Commissioner, District 1

JAVIER SALAS
Commissioner, District 2

ALICIA EDWARDS
Commissioner, District 3



GERALD W. BILLINGS JR.
Commissioner, District 4

HARRY BROWNE
Commissioner, District 5

CHARLENE WEBB
County Manager

Corrective Action Plan

Fiscal Year Ended June 30, 2021

2021-001 Late Audit Report - Other Non-Compliance

Statement of Condition - The audit report was submitted to the State Auditor's Office after the county due date of December 1, 2021.

Corrective Action Plan - We will work on a schedule to begin the audit process at an earlier date in order to provide ample time for any delays that may arise that are out of our control. As for the Component Unit, Gila Regional Medical Center; Grant County is encouraging them to have their audit process begin as early as possible to avoid any delays as well. Although the delay was due to publication compliance requirements, this should not be an issue in the future.

GRANT COUNTY
EXIT CONFERENCE
JUNE 30, 2021

EXIT CONFERENCE:

The exit conference was held February 9, 2022 and was attended by the following:

Representing Grant County:

Chris Ponce, Chairman
Tim Zamora, County Manager
Linda Vasquez, County Director of Fiscal Services
Patrick M. Cohn Jr, Treasurer

Representing Kriegel/Gray/Shaw & Co., P.C.:

Debbie Gray, CPA/Shareholder

FINANCIAL STATEMENTS PREPARATION

Preparation of financial statements is the responsibility of management. Although, the Grant County's personnel provided significant assistance in the preparation, the statements and related footnotes were prepared by Kriegel/Gray/Shaw & Co., P.C.