



SAN JUAN



COUNTY
NEW MEXICO
SINCE 1887

San Juan County

2021 in Review

2021 Fiscal Year
Popular Annual Financial Report
July 1, 2020 to June 30, 2021

information in the 2021 ACFR, please visit our website to download a full copy:

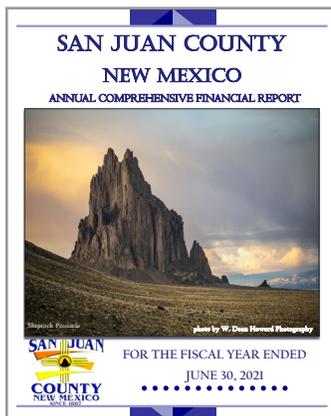
SJCounty.net/ACFR

Table of Contents

Welcome!	2
Profile of San Juan County	3
Economics	4
Services	5
The County's Assets	6
The County's Liabilities	8
Sales Tax Highlights	10
Demographics	10
Property Tax Highlights	11
How Does the Money Collected Serve the Community?	14

The ACFR additionally presents details on the County's two separate legal entities, which the County acts as fiscal agent. The San Juan County Communications Authority (911 call center) and San Juan Water Commission are not presented within this 2021 financial review of San Juan County.

San Juan County operates under the "Commission-Manager" form of government. Policy making and legislative authority are entrusted in the elected County Commission consisting of the Commission Chairman and four members serving five total districts. The County Commission is responsible for, among other things, passing ordinances, adopting the annual budget, appointing committees, serving as the Board of Finance and the Indigent Hospital Board, and hiring the County Manager. The County Manager is responsible for carrying out the policies and ordinances of the County Commission and overseeing the day-to-day operations of the County, coordinating with the Commission, Department Administrators as well as the other County Elected Officials (Sheriff, Clerk, Assessor, Treasurer, and Probate Judge). All County Elected Officials are elected on a staggering basis to serve four year terms. As of June 30, 2021, San Juan County had 668 employees. (This number does not reflect employees of the San Juan County Communications Authority or San Juan County Water Commission, which the County acts as fiscal agent).



We are thrilled to present our financial review of the 2021 fiscal year, from July 1, 2020 to June 30, 2021! This guide provides a look at how San Juan County balances the money collected with the cost of services provided. The information presented within this booklet comes from the audited Annual Comprehensive Financial Report (ACFR) issued by San Juan County. If you are interested in additional detailed financial



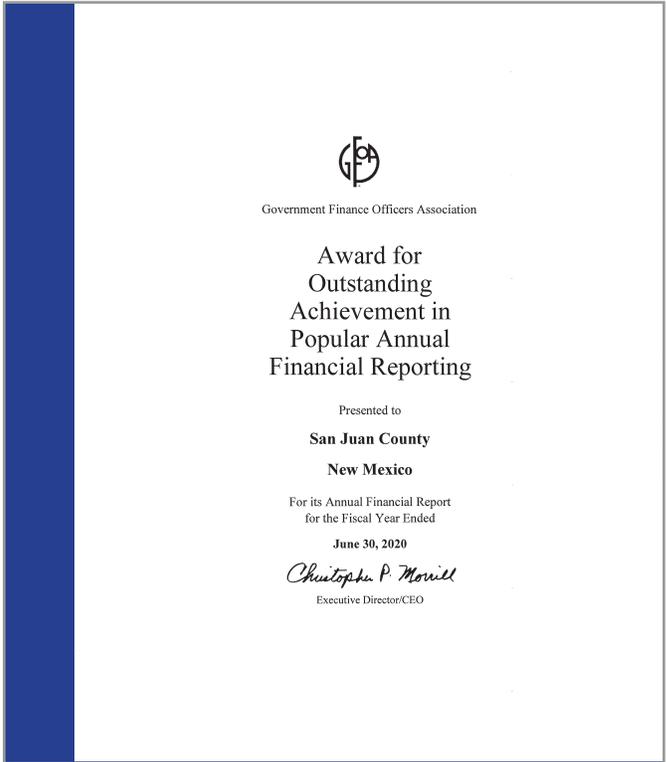
Profile of San Juan County

San Juan County, NM was incorporated in 1887 with Aztec, NM appointed as the county seat. The County is located in the North-west corner of New Mexico in an area known as the "Four Corners" describing where the four states of New Mexico, Arizona, Colorado, and Utah meet. The County has a land area of approximately 5,538 square miles. The United States Census Bureau conducted it's decennial census in 2020 and the results of the survey reflects San Juan County's population is now 121,661. The population decreased by 6% from the 2010 decennial survey results that reflected the population was 130,044. The land ownership is distributed as follows: Private ownership 7%, Federal Government 25%, Navajo and Ute Mountain Reservations 65%, and State Government 3%.

San Juan County received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the 2nd year in a row. This award represents a significant achievement by San Juan County. In order to be eligible for the PAFR award, a government must also submit its annual comprehensive financial report to GFOA's Certificate of Achievement for Excellence in Financial Reporting Program and

receive the Certificate for the current fiscal year.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such an Annual



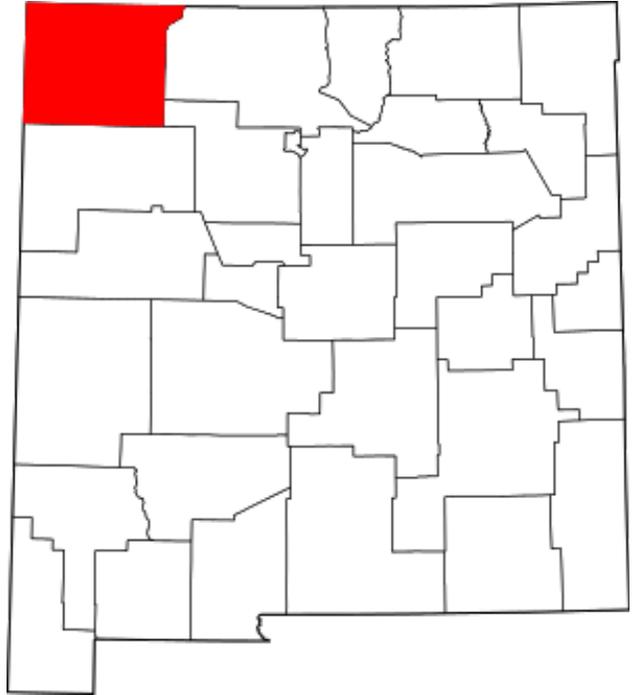
Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.

Economics

The County is the retail hub for the four corners area serving an estimated consumer population of 300,000. The area continues to draw consumers from New Mexico, Utah, Colorado, and Arizona. San Juan County, with the help of Four Corners Economic Development, has also been promoting the areas local attractions to boost tourism, industry development, and relocation for those who are looking to retire in an area that offers a variety of outdoor activities.

San Juan County's economy is diversified by the numerous outdoor recreational activities and national parks, all within a day's drive. Four Corners Economic Development's data shows that there is one world-class fly-fishing area, five world heritage sites, seven world class ski resorts, 47 Native American pueblos and tribes, and 57 national parks, monuments, and recreation areas. Farmington also hosts the annual Connie Mack World Series.



In partnership with the New Mexico Department of Transportation and the Bureau of Land Management Farmington Field Office, San Juan County was awarded a \$1,200,000 grant from the Recreational Trails Program for projects north of the City of Farmington in the Glade Run Recreational Area. Some of the specific projects that were recently completed include trailhead maps and trail signs, a new parking area for 60 vehicles off Calle Norte Trail to provide access to the Glade Run East trail system, new motorized and non-motorized trail connections to Farmington Lake from the Glade Run Recreational Area, approximately 4 miles of new single-track mountain bike trails within the Anasazi trail system located off Hood Mesa Trail, a new single track mountain bike trail between the Glade Run East and Glade Run West trail systems along NM 574 at the north end of the



Glade Run Recreation Area; and approximately 5 miles of trail and rehabilitation. Overall a total of 30 miles of mountain bike and off-highway vehicle (OHV) trails have been added to the area.

Since San Juan County received news that Public Service Company of New Mexico (PNM) has plans to close San Juan Generating Station, an 847 megawatt coal-fired power plant, by the year 2022, the County has been working to find ways to replace the recurring revenue of property taxes that will be lost. San Juan County Commission has adopted ordinances to issue Industrial Revenue Bonds to Photosol and 8 Minute Solar for replacement power projects relative to San Juan Generating Station. Photosol US, a subsidiary of one of France's leading solar providers, has been working to develop its Four Corners Solar Center, which consists of three distinct projects, one of which is the San Juan Solar project. The CEO of Photosol, John Case, has indicated that this project will be the first one operational with at least a portion of it being completed by June 2023.

San Juan County applied for and was subsequently awarded \$2 million of federal funding to study a freight line extension from the I-40 rail corridor to San Juan County. The economic development represented by a freight system means numerous jobs for San Juan County and Navajo Nation residents as well as a secure future of economic diversity.



Services

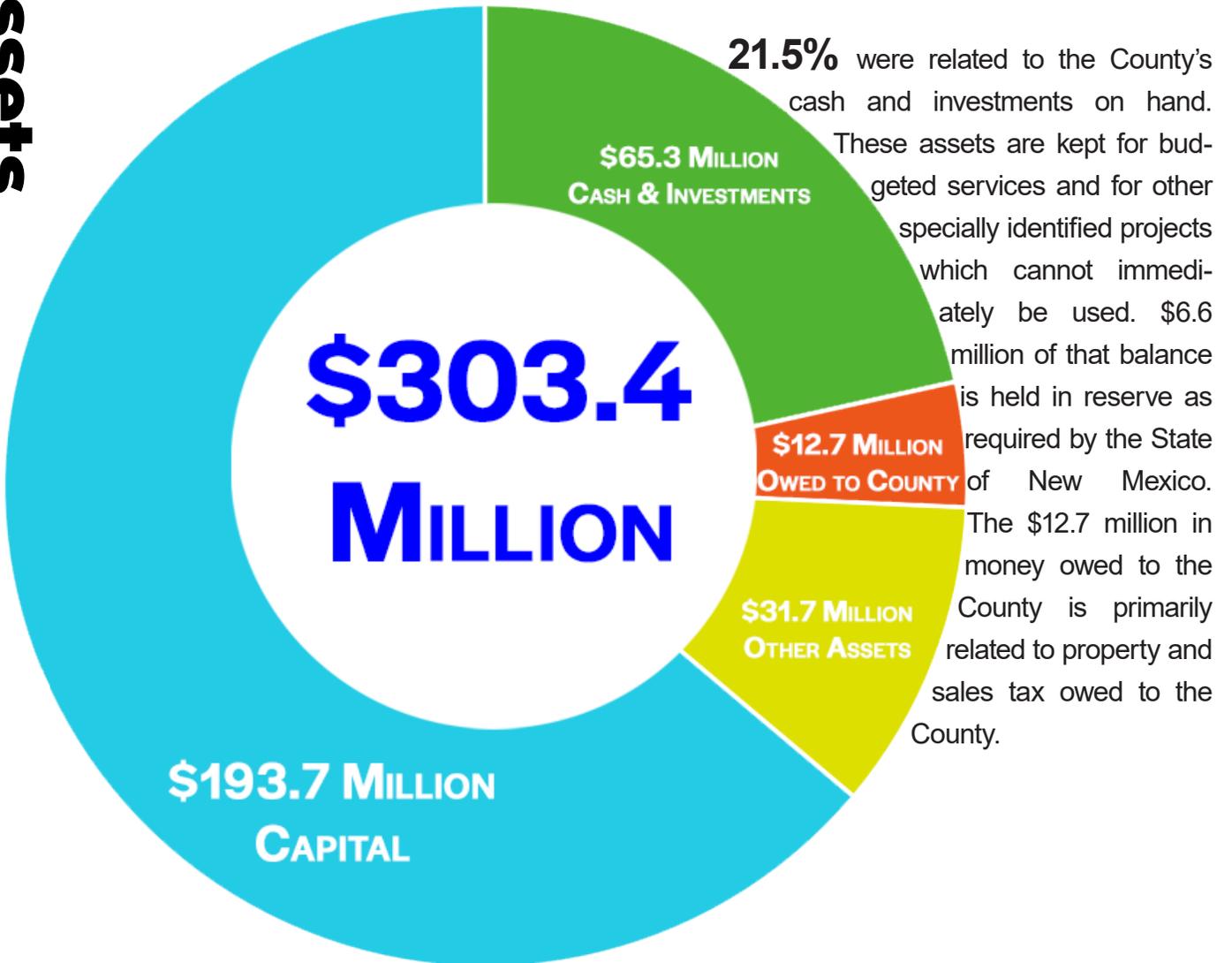
San Juan County offers a full range of services, including fire protection through 27 volunteer fire stations, 207 volunteer firefighters, protection of its citizens through the Sheriff's Office, road maintenance and construction, waste transfer stations, parks and facilities, adult and juvenile correction facilities, DWI/Axis facility, building permits, addressing, subdivisions, and an affordable housing program.



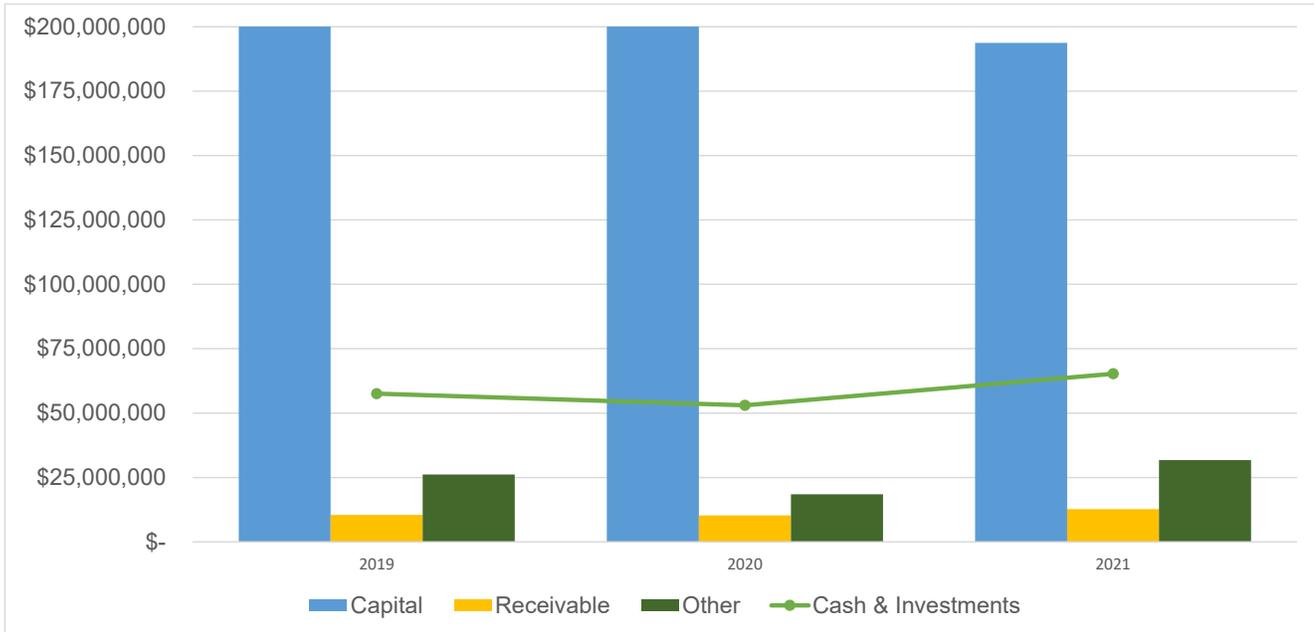
What the County has available to provide services

Assets are items that the County has acquired that can be used to provide services to the citizens of the County. Some assets are available for immediate use, while others are used in the long-term. Those long-term assets are generally in the form of roads, bridges, buildings and other physical equipment owned by the County and are referred to as capital. In preparation of the Annual Comprehensive Financial Report, the County's assets were valued at \$303.4 million as of June 30, 2021.

64% of assets were in the form of capital including: \$93.1 million in buildings & improvements, \$64.6 million in roads, bridges and other infrastructure, \$19.5 million in equipment and \$16.5 million of other assets.



21.5% were related to the County's cash and investments on hand. These assets are kept for budgeted services and for other specially identified projects which cannot immediately be used. \$6.6 million of that balance is held in reserve as required by the State of New Mexico. The \$12.7 million in money owed to the County is primarily related to property and sales tax owed to the County.



How have the County's assets trended in three years?

Capital continued to be the largest asset held by the County in the last three years. The noticeable reduction each year is due to the County depreciating (accounting term for recognizing use of the asset in dollars) the assets over time. Cash and investments increased by \$12.2 million over 2020's cash and investments. This is primarily due to a slight uptick in gross receipts tax revenue and oil and gas revenue and there was also a slow down in spending due to COVID and supply chain issues. San Juan County also received \$12 million in American Rescue Plan Act (ARPA) money. The County Commission will be presented, for their consideration and approval, an interim spending plan in the fall of 2021 in accordance with federal guidance and regulations.



The County's Liabilities

The obligations the County has accumulated to provide services

Liabilities are commitments the County has made to be paid within the next month to several years. It can range from the monies owed to vendors for providing goods and services to the County, payroll and other payroll related benefits to be paid to County employees, loans and bonds, and County retirement/healthcare obligations. At June 30, 2021, the County had a total of \$180.30 million in liabilities outstanding.

LOANS & BONDS

\$37.44M

Represents the amount of debt the County incurred as a result of receiving lump sums of money to allow for larger capital projects including the construction/renovation of buildings and high dollar emergency service equipment.

DUE TO
EMPLOYEES

\$5.80M

\$3.8 million of this balance relates to the vacation, sick, and compensation time each employee would be paid should they terminate employment with the County

DUE TO
VENDORS

\$3.98M

The County incurs additional outside cost when providing services to the County Citizens. Those costs are incurred from vendors providing goods or services to the County

OTHER
LIABILITIES

\$16.22M

The largest portion of this balance is due to the County receiving money that cannot be spent until certain requirements have been met. At year end, these requirements were in progress but not fully completed.

RETIREE &
HEALTHCARE

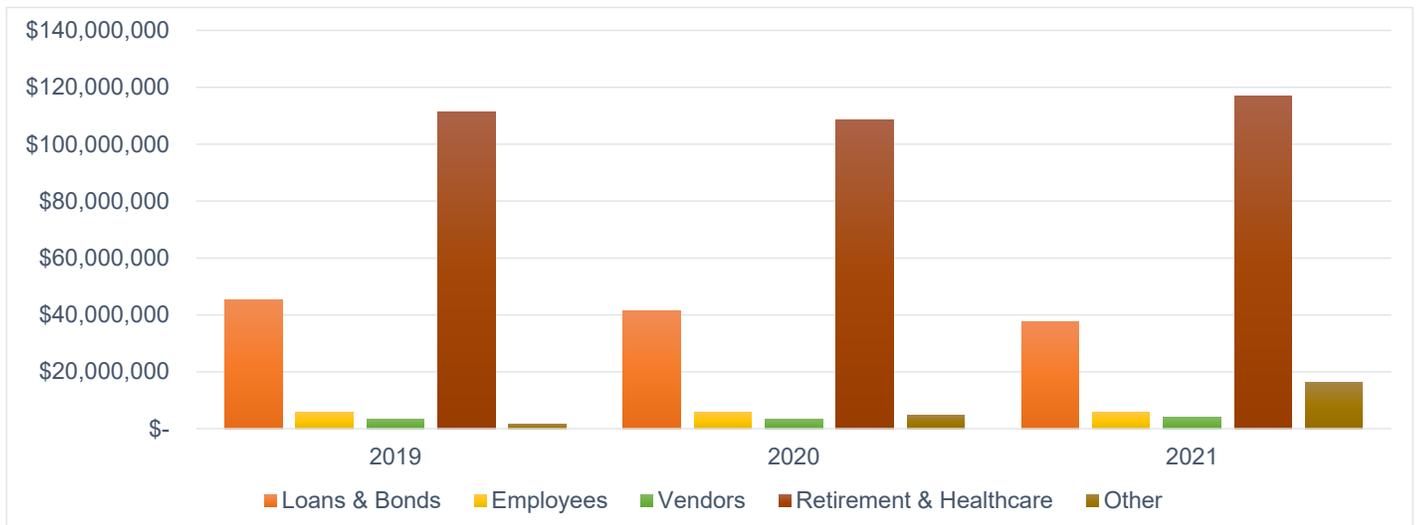
\$116.86M

National reporting standards require the County to identify their portion of the amount the employees retirement pension (PERA) and retirement healthcare (NMRHCA) which is not funded by the assets held by the New Mexico Public Employees Retirement Association (PERA) and New Mexico Retiree Healthcare Association. Currently, the County has no obligation to pay this amount but has the obligation to report on it.

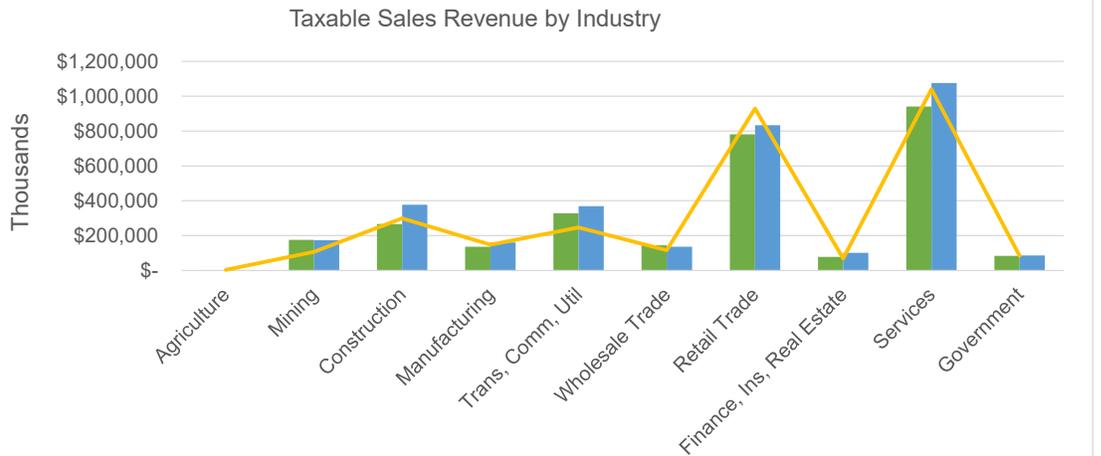


How have the County's liabilities trended in three years?

In the past three years, the County has paid down a total of \$7.9 million of loans and bonds payable. The County will continue to see the balance decline as there are no immediate plans for additional debt funding. Amounts owed to employees remains relatively the same each year and is the result of employees saving and using, on average, their sick and vacation hours consistently year over year. The retirement and healthcare obligations have increased by \$11.6 million between 2020 and 2021. These liabilities represent the County's share of the obligation to cover retirement costs of its employees through the Public Employees Retirement Association (PERA) as well as healthcare costs of its retiree's through the New Mexico Retiree Healthcare Association (NMRHCA). While the County is obligated to show these liabilities for reporting purposes it only has a legal obligation to pay the employer contribution per pay period under the rates set by New Mexico state law.



San Juan County is unique in that our retail trade area is supported by a consumer population from surrounding areas that is estimated to be 300,000. This increase in consumer population helps increase our sales tax collection in various trade industries. Those individuals who visit our area for recreation or shopping are helping to support the services we provide to the residents of San Juan County and helps mitigate the need to increase property taxes to support those services. The table below helps reflect how the various industries are performing in the County. The mining industry has been on a decline over the last several years which is related to the closure of the San Juan Generating Station; however, the retail/trade industry has seen an increase in revenue. Part of the reason for the increase in sales tax is due to the CARES Act money that was distributed to individuals to help jump start the economy.



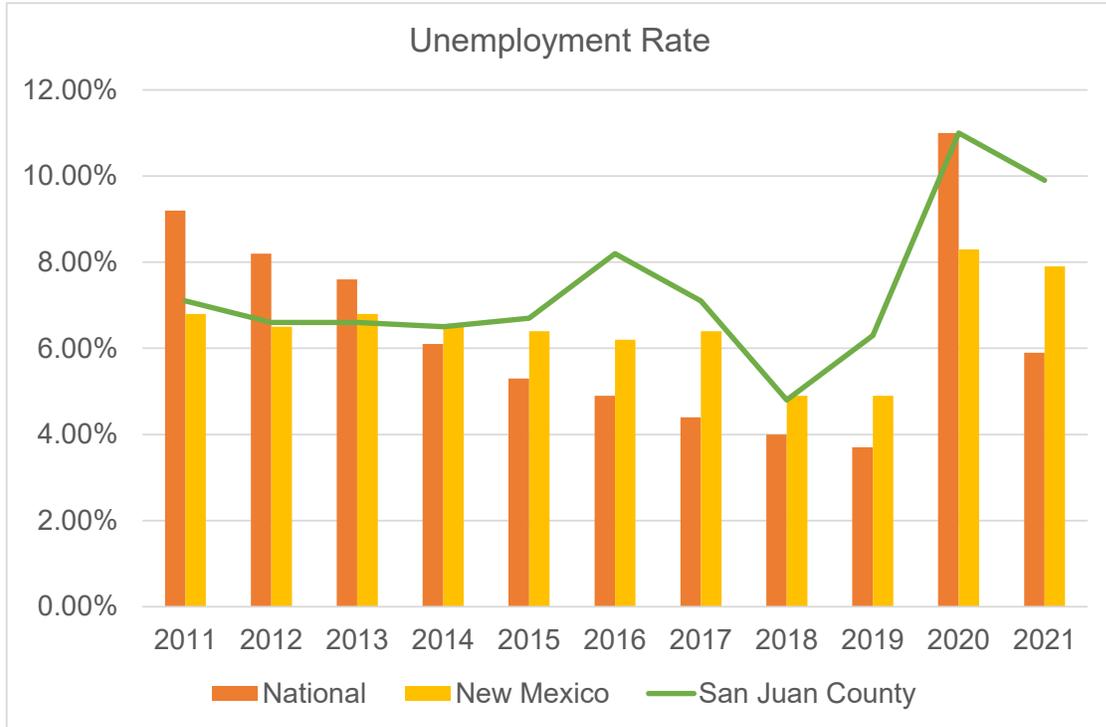
The County collected a total of \$38.9 million in sales tax from \$3.04 billion of sales within the County in 2021 which equates to 51.8% of the total tax collected within the county.

San Juan County Quick Facts			
Age (2019)		Households	
Under 5 years	6.3%	Persons per household (2015-2019)	2.88
5yrs – 18yrs	26.0%	Median household income (2015-2019)	\$ 50,518
19yrs – 64yrs	52.1%	Per capita personal income (2019)	\$ 23,235
65 & older	15.6%	Person below poverty level (2015-2019)	19.9%
Median age (2017)	37.9		
Housing			
Housing units (2019)	51,480		
Homeownership rate (2015-2019)	71.0%		
Median value of owner occupied (2015-2019)	\$151,200		
Source: US Census Bureau, State of New Mexico Department of Labor, San Juan Economic Development Service, National Center for Education Statistics			

Demographics

The Farmington Metropolitan Statistical Areas (MSA) (San Juan County) total nonfarm employment was up 3,200 jobs or 8%. The private sector was up 2,000 jobs, or 6.4%. In the public sector, all gains occurred in local government which was up 1,200 jobs, or 18.2%. San Juan County had an unemployment rate of 9.9% in June 2021 which is an increase from the 8.5% rate reported in May 2021. New Mexico's seasonally adjusted unemployment rate was 7.9% in June 2021 which was unchanged from May 2021. The national unemployment rate in June was 5.9% which is a slight increase from 5.8% reported in May.

Property Tax Highlights



Your property tax bill includes a combination of the State, cities, school districts, college and County tax rates which collectively make one annual tax bill. The County charges the collective amount, col-

lects and remits those taxes to the related entities. The County received a total of \$26.8 million for its share of property tax revenue in 2021.



The chart above represents the amount of property tax an individual would pay on a home that is valued at \$150,000 in Farmington, Albuquerque, and Las Cruces. It is easy to see that San Juan County's property tax rates are relatively low as compared to a larger city and a city that is equivalent to the size of Farmington.

How do we get money to provide services to you?



Money Collected Equals Services Provided

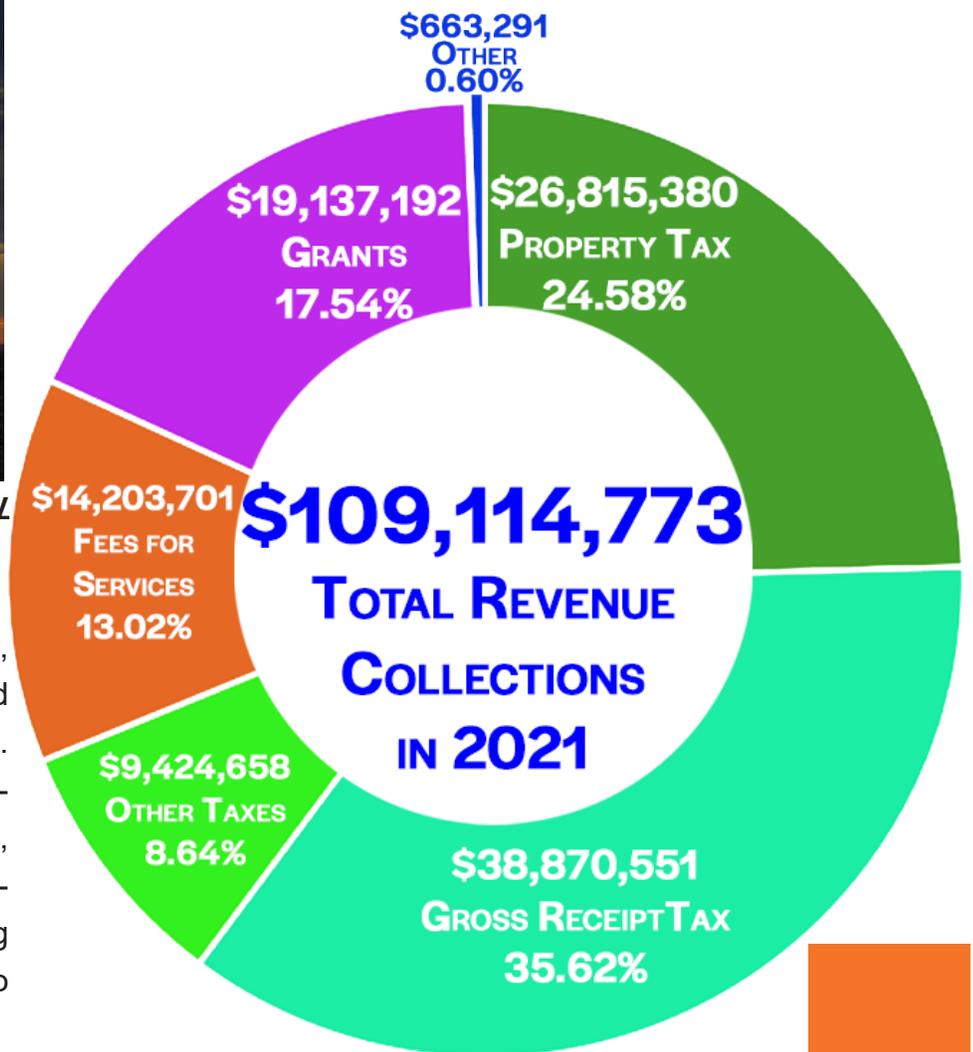
The County collects money through taxation, charging for services provided, and through receipt of Federal and State grants. The money collected serves the Citizens of the County through public safety, road and bridge work, operation of a golf course and County fairgrounds, County trash convenience centers, housing and healthcare assistance for low income families, cash support to

local government and not-for-profit organizations, and more! Other money is collected to support the administrative cost of operating those services provided to the County.



A closer look at the money collected in the 2021 fiscal year

The fiscal year ran from July 1, 2020 through June 30, 2021 and collected a total of \$109,114,773. Money from taxation, which included property, sales, oil & gas, franchise, gas/MVD and other taxation, was responsible for bringing in 68.84% of the money collected to fund County operations in 2021.





Historical look at the money collected

The three-year comparison, above, shows the County collected \$7.7 million more than 2019. This is a result of increased grant revenues received which are considered one-time revenue streams. Overall, the money collected in 2021 was still very positive and utilized to continue to provide services to you.

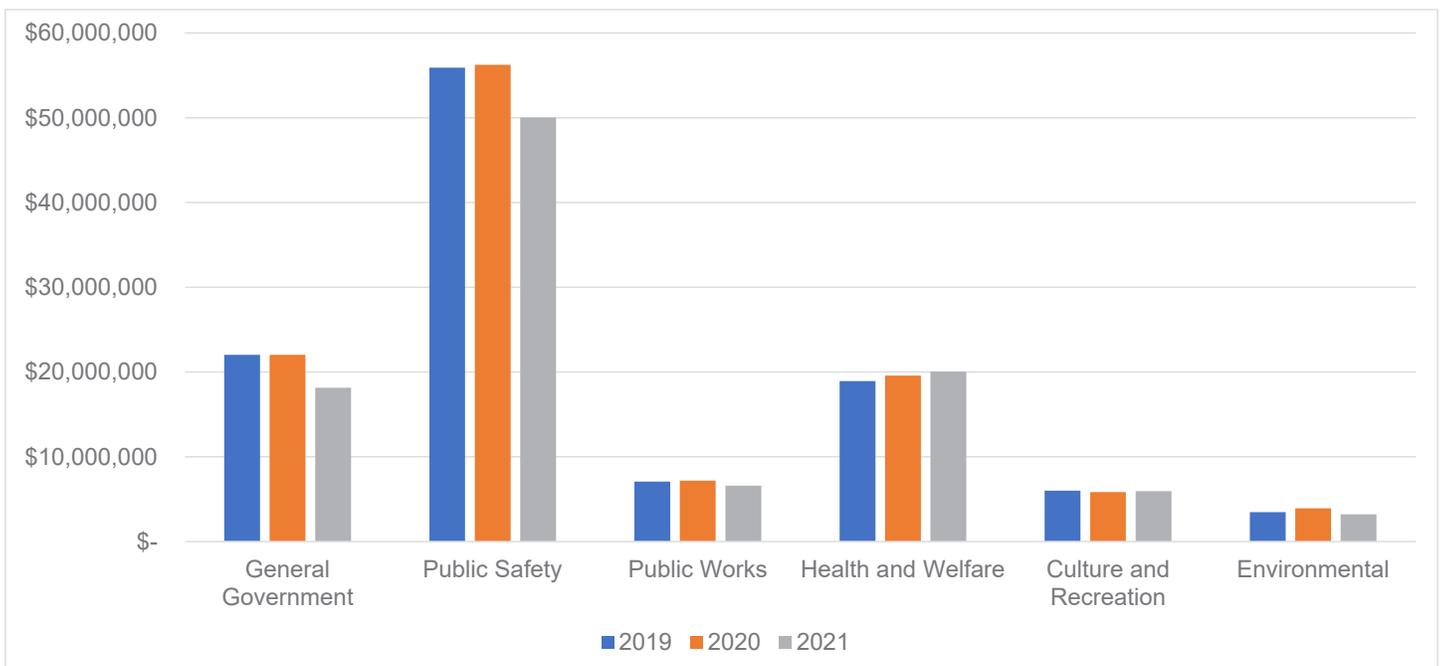
The County has continued to focus on its Citizens and the services that are provided, to ensure there is no lapse in service. Each budget cycle, the County places high importance on ensuring we achieve a balanced budget.

A closer look at the cost of services provided in the 2021 fiscal year

The graph below shows a three-year comparison of San Juan County’s expenditures, by function. San

Juan County’s expenditures have been relatively consistent; however, due to COVID and staffing shortages, San Juan County saw a decrease of \$10.8 million in expenses from fiscal year 2020 to 2021. There was a slight increase in Health and Welfare of \$460,300 primarily due to the County opening a new Mental Welfare clinic and an increase in health claims. Culture and Recreation saw an increase of \$111,137 primarily due to the addition of Blanco and Lower Valley Senior Centers.

Of the \$103.98 million spent in the 2021 fiscal year, 48% of that total provided public safety services including \$20,831,308 to operate the adult, juvenile and DWI facilities, and \$14,072,754 to operate the San Juan County Sheriff’s Office and County Fire Department. Of the 19% spent on health and welfare, \$9,526,671 covered the cost of the County’s internally funded employee insurance plan, \$5,940,754 covered the cost of providing healthcare assistance and \$1,380,891 in housing assistance payments to low-income families. The total cost of \$18,147,345 in general government covers a large span of costs to operate the County through a total of 18 support departments. Additionally, \$1,696,588 of that amount covers the interest incurred on the \$34,676,381 in debt outstanding at the end of the 2021 fiscal year.





How Does the Money Collected Serve the Community?

The money collected for the period July 1, 2020 through June 30, 2021 was used for a broad array of services benefiting the Citizens of the County. In total, the County collected \$109.1 million this year to spend on these services, which can be classified into seven total categories:



General Government

- Operations support

Public Safety

- Law enforcement (Sheriff), fire prevention, EMS
- Criminal Justice
- Adult & juvenile corrections and alternative sentencing
- Building inspection/ community development
- Emergency management and Safety

Public Works

- Road maintenance
- Bridge maintenance
- Seasonal road safety and clean up

Health and Welfare

- Housing assistance to low income families
- Local support to government and not-for-profit organizations
- Operation of County health plan

Culture and Recreation

- Parks and facilities maintenance
- Riverview Golf Course
- McGee Park Fairgrounds

Environmental

- Operation of trash convenience centers





SAN JUAN



COUNTY
NEW MEXICO
SINCE 1887

Building A Stronger Community

100 S. Oliver Drive

Aztec, NM 87410

www.SJCounty.net