

**SAN JUAN**



**COUNTY**  
**NEW MEXICO**  
SINCE 1887

**San Juan County**

# 2022 in Review

2022 Fiscal Year  
Popular Annual Financial Report  
July 1, 2021 to June 30, 2022

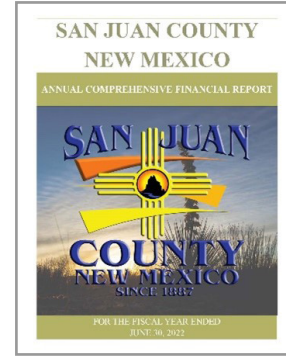
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We are thrilled to present our financial review of the 2022 fiscal year, from July 1, 2021 to June 30, 2022! This guide provides a look at how San Juan County balances the money collected with the cost of services provided. The information presented 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 information on the 2022 ACFR, please visit our website to download a full copy:

[SJCounty.net/ACFR](https://www.sjcounty.net/ACFR)

## San Juan County



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 2022 financial review of San Juan County.

San Juan County operates under the Commission, County 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 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 staggered basis to serve four-year terms. As of June 30, 2022, San Juan County had 574 employees. (This number does not reflect employees in San Juan County Communications Authority or San Juan County Water Commission, which the County acts as fiscal agent).

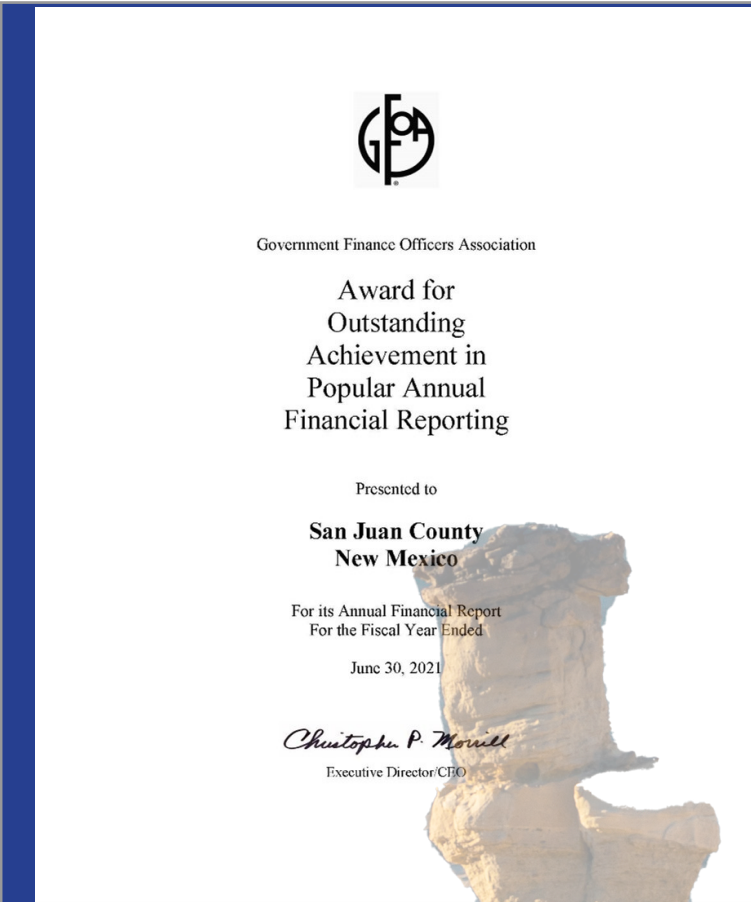
Building A Stronger Community

## 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 Northwest 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’s 2020 census report reflected San Juan County’s population was 121,661, and as of the most recent data available from the US Census, the population as of July 2021 fell to 120,993. 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 3rd 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.

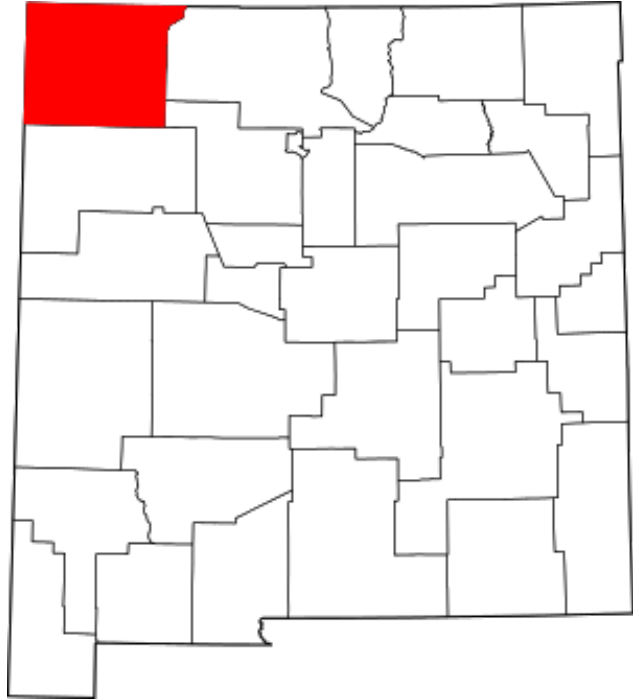
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program’s requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.



# 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.



Totah Studios, a joint venture between San Juan County and City of Farmington, will promote the county as a shooting destination for film and TV producers as part of an effort to diversify the local economy. The Totah Theater is part of that project and went through major renovations in 2022 to showcase film screenings, comedy shows, and live music performances. There are also plans for a backlot village at the San Juan County Industrial Complex in far northern San Juan County.

Public Service Company of New Mexico (PNM) closed San Juan Generating Station, a coal-fired power plant, in September 2022. Enchant Energy, a carbon capture company, is working with the City of Farmington to transform the shuttered facility into the largest carbon capture project in the world. There are still several obstacles that Enchant and the City must overcome in order for this project to move forward. Cindy Crane, CEO for Enchant, stated that it will take

about three years to construct the carbon capture facility and the earliest that it could come online for commercial use would be 2026. DESRI recently purchased the equity interest in the project company and bond purchaser from Photosol. DESRI is planning to continue to move forward with the San Juan Solar project. 8 Minute Solar's project has stalled; but the County is hopeful it will get back on track.



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. Monthly meetings are held to discuss the project and to keep it on track. To date \$112,430 has been spent on the feasibility study.

The oil and gas industry also contribute to San Juan County's revenue base. The increased pricing for natural gas has spurred drilling in the San Juan Basin. San Juan County saw a boom in activity which led to increased revenues. Actual revenues for FY22 were \$5,439,320 which is an increase of 51.5% over FY21 revenue of \$3,589,237. The County will continue to monitor this carefully and continue to be conservative when budgeting anticipated revenues.

# Services

San Juan County offers a full range of services, including fire protection through 28 volunteer fire stations, 200 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.



# The County's Assets

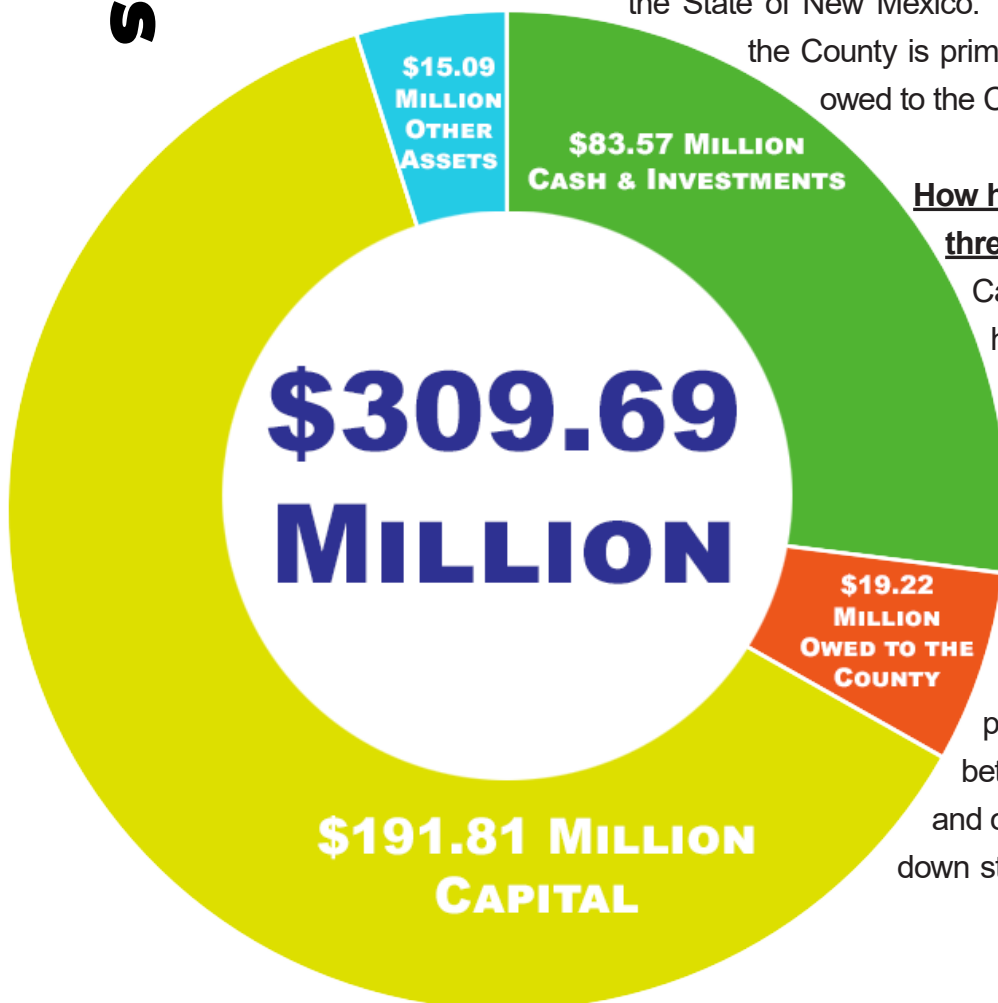
## What the County has available to provide services

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 \$309.69 million as of June 30, 2022.

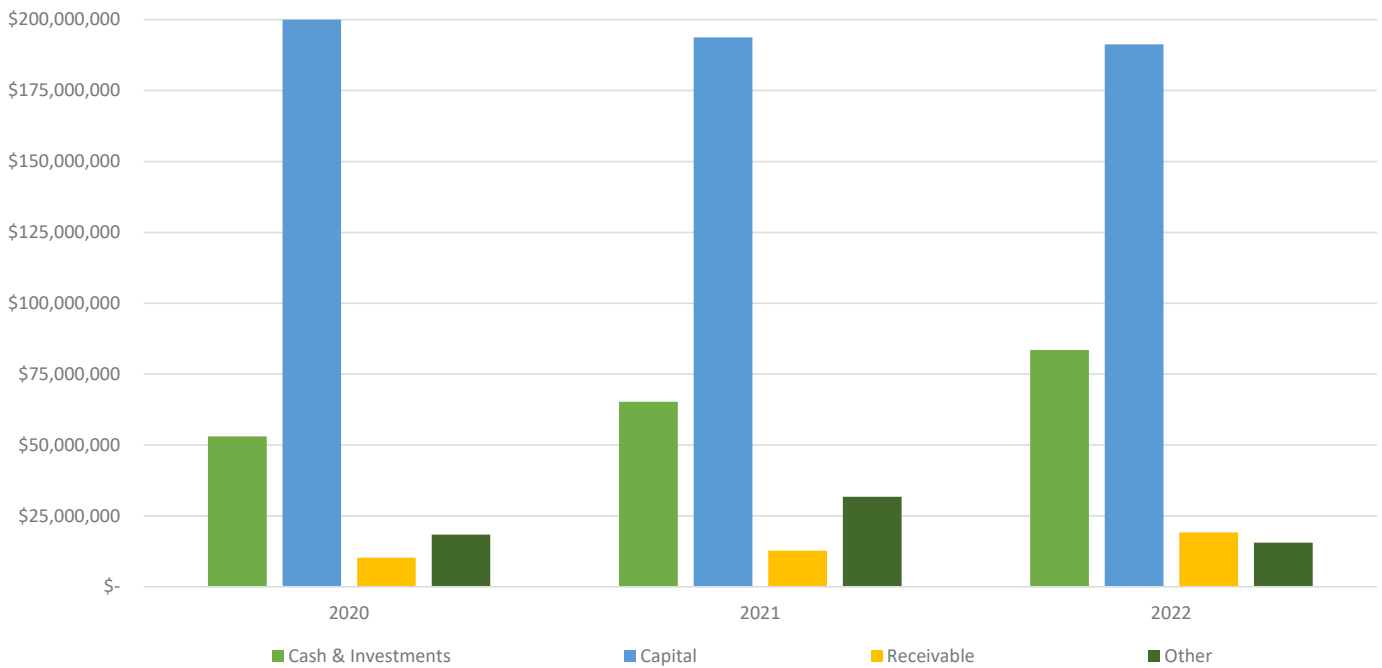
62% of assets were in the form of capital including: \$89.69 million in buildings & improvements, \$70.73 million in roads, bridges and other infrastructure, \$17.97 million in equipment and \$13.43 million of other assets.

27% 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 \$19.22 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 \$18.3 million over 2021's cash and investments. This is primarily due to the County receiving better than anticipated gross receipts tax and oil and gas revenues. However, a slow-down still remains in spending due to COVID



and supply chain issues. San Juan County also received an additional \$12 million in American Rescue Plan Act (ARPA) money which has helped to cover COVID expenditures that were incurred throughout the year, as well as other authorized expenditures per the grant’s regulations.

**Key Projects**

The County completed the County Road 5500 bridge in May of 2022. This project took 5 years to complete at a cost of \$8.2 million. This project was able to reach the finish line through the County utilizing grant funding in the amount of \$4.7 million, revenue bond money in the amount of \$3.1 million, and County funds in the amount of \$437,490.



# The County's Liabilities

## \$95.87 MILLION RETIREE & HEALTHCARE

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.

## \$33.28 MILLION LOANS & BONDS

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.

## \$26.85 MILLION OTHER LIABILITIES

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.

## \$4.65 MILLION DUE TO VENDORS

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

## \$4.46 MILLION DUE TO EMPLOYEES

\$3.75 million of this balance relates to the vacation, sick, and compensation time each employee would be paid should they terminate employment with the County

### The obligations the County has accumulated to provide services

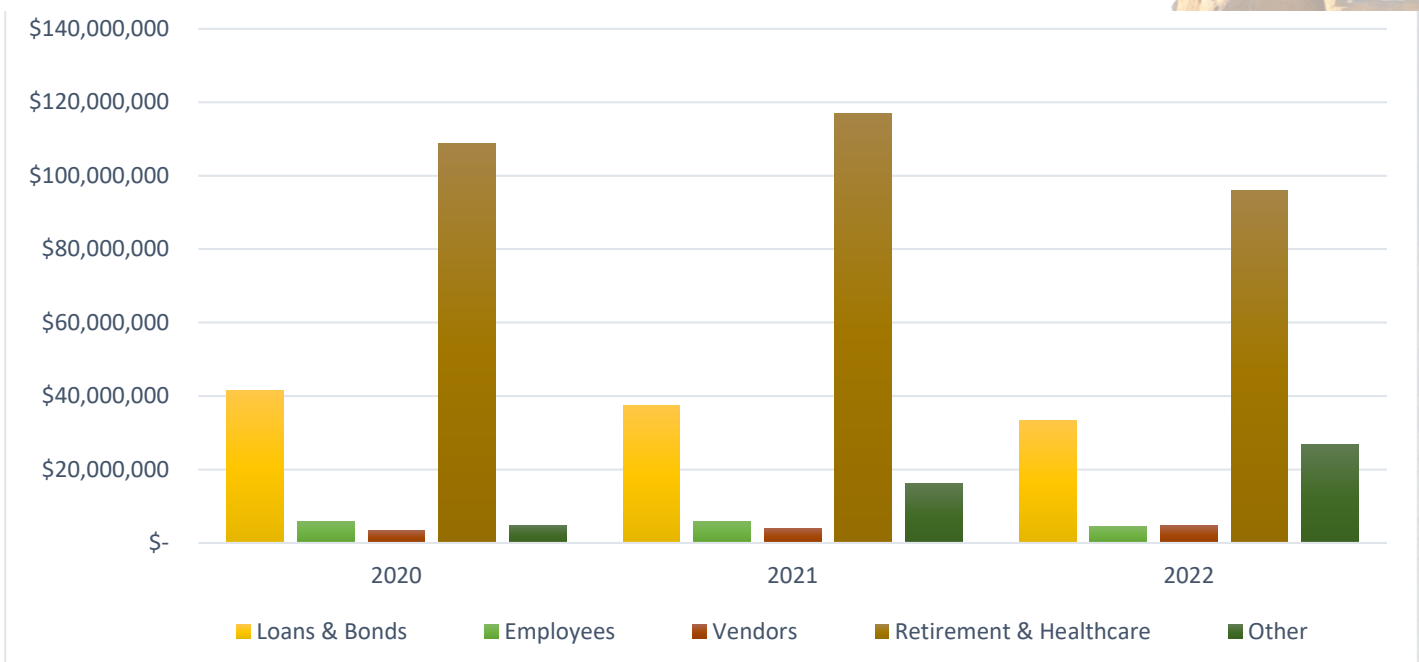
Liabilities are commitments the County has made to be paid within the next month to several years. It can range from the monies owed to vendors for providing goods and services to the County, payroll and other payroll related benefits to be paid to County employees, loans and bonds, and County retirement/healthcare obligations. At June 30, 2022, the County had a total of \$165.11 million in liabilities outstanding





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

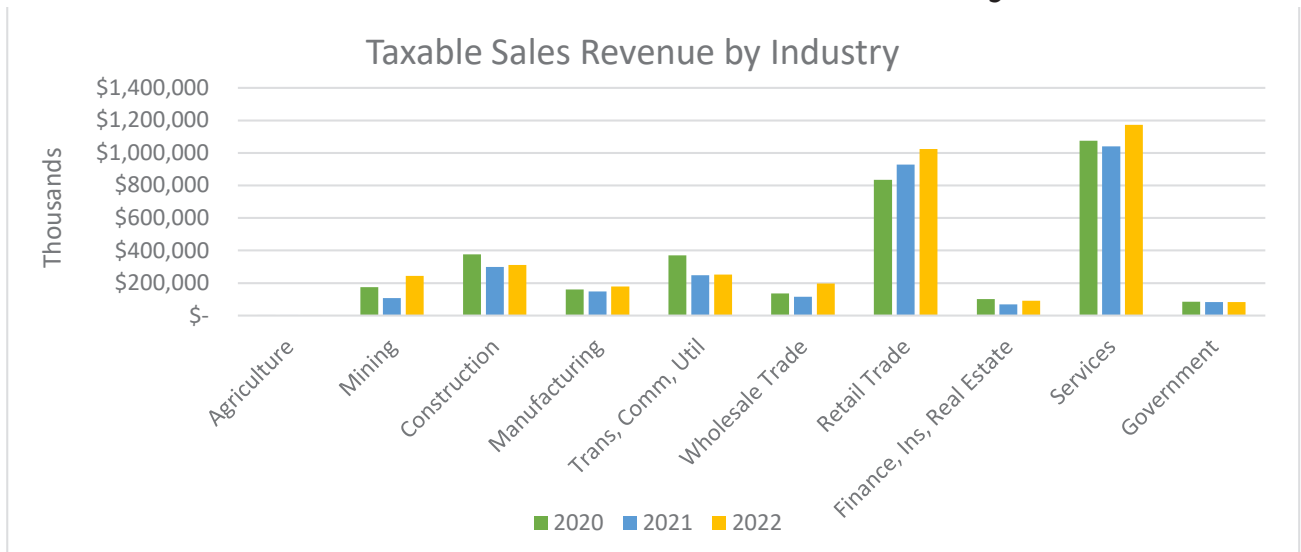
In the past three years, the County has paid down a total of \$8.2 million of loans and bonds payable. The County will continue to see the balance decline as there are no immediate plans for additional debt funding. Amounts owed to employees remains relatively the same each year and is the result of employees saving and using, on average, their sick and vacation hours consistently year over year. The retirement and healthcare obligations have decreased by \$21 million between 2021 and 2022. 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 monies collected from sales tax exceeds property tax. The State of New Mexico compiles all sales tax collected within the County by industry. This data helps reflect how the various industries are performing in the County. The graph below depicts a three-year trend showing that the retail trade has slightly increased within the County.

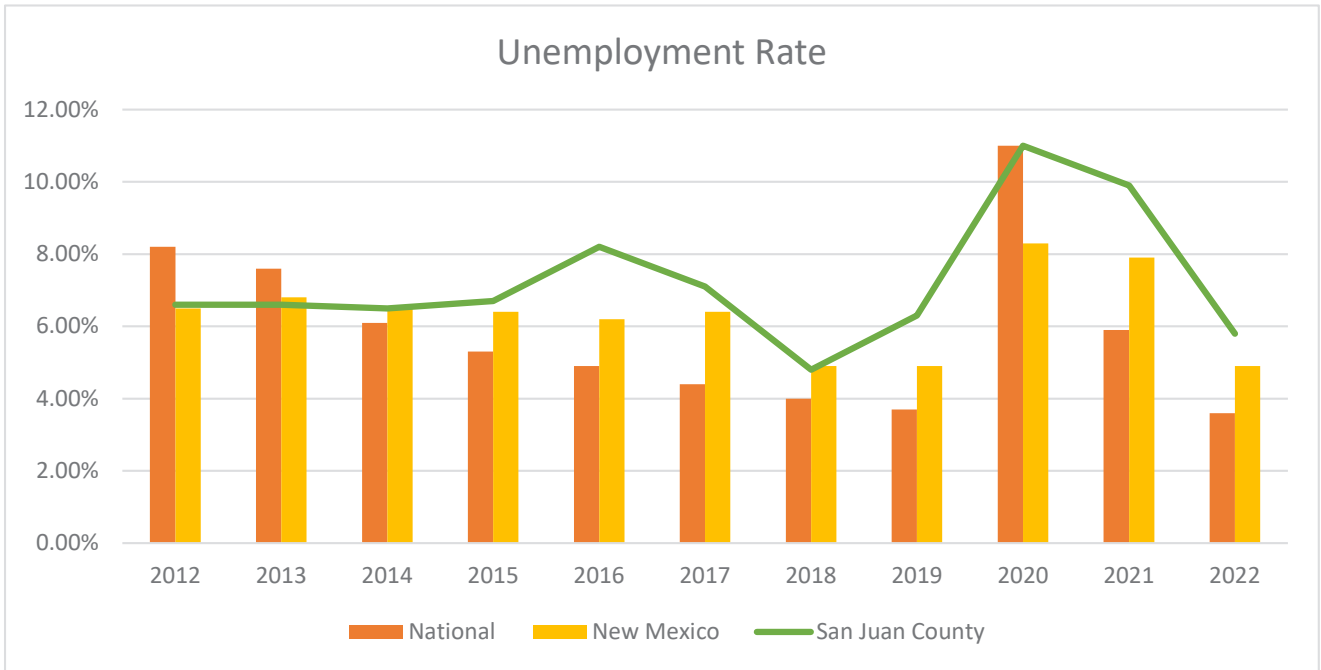
***Sales tax revenue in 2022 was 58.6% of total tax collected within the County***

***The County collected a total of \$52.8 million in sales tax from \$3.55 billion of sales within the County in 2022***



The Farmington Metropolitan Statistical Areas (MSA) (San Juan County) total nonfarm employment was up 2,700 jobs or 6.3%. The private sector was up 2,500 jobs, or 7.7%. In the public sector, all gains occurred in local government which was up 200 jobs, or 2%. San Juan County had an unemployment rate of 5.8% in June 2022 which is an increase from the 4.7% rate reported in May 2022. New Mexico's seasonally adjusted unemployment rate was 4.9% in June 2022 which was down from 5.1% in May 2022. The national unemployment rate in June was 3.6% unchanged from May.

San Juan County Quick Facts			
<b>Age (2021)</b>		<b>Households</b>	
Under 5 years	5.8%	Persons per household (2016-2020)	2.84
5yrs – 17yrs	19.8%	Median household income (2016-2020)	\$ 47,643
18yrs – 64yrs	58.3%	Per capita personal income (2016-2020)	\$ 22,840
65 & older	16.1%	Person below poverty level (2016-2020)	21.5%
Median age (2020)	36.9		
<b>Housing</b>			
Housing units (2021)	47,991		
Homeownership rate (2016-2020)	70.8%		
Median value of owner occupied (2016-2020)	\$155,000		
<b>Source: US Census Bureau, State of New Mexico Department of Labor, San Juan Economic Development Service, National Center for Education Statistics</b>			



**How do we get money to provide services to you?**



*Money Collected Equals Services Provided*

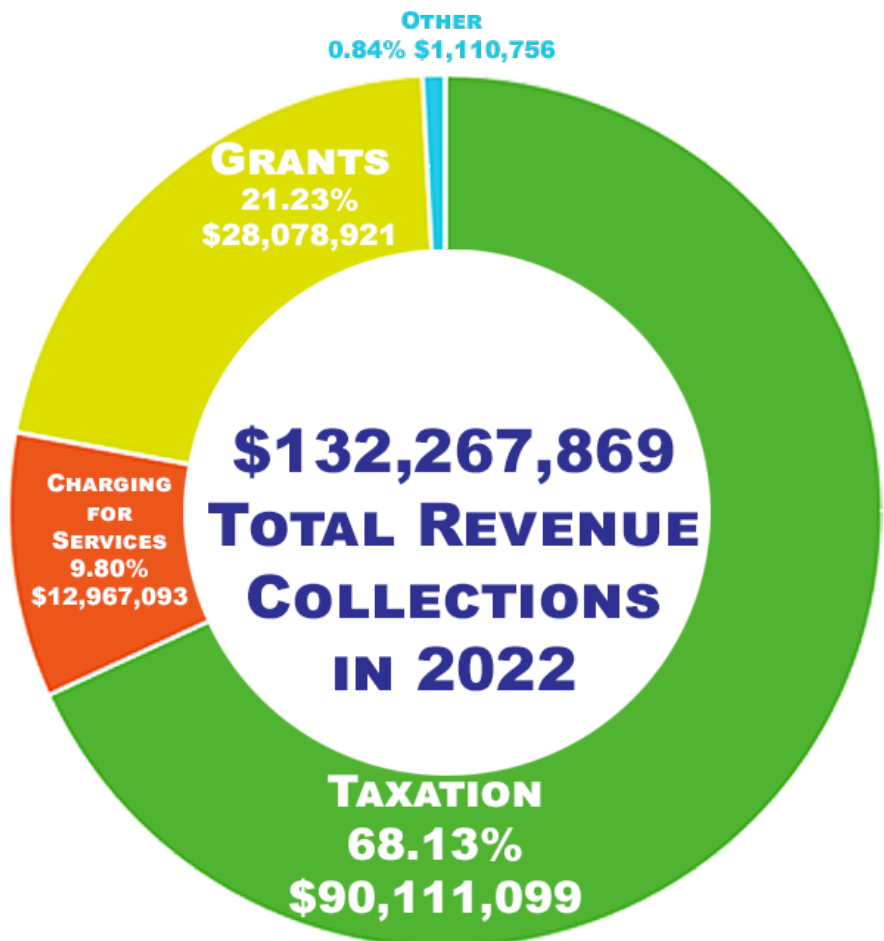
The County collects money through taxation, charging for services provided, and through receipt of Federal and State grants. The money collected serves the Citizens of the County through public safety, road and bridge work, operation of a golf course and County fairgrounds, County waste drop off site operations, 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.

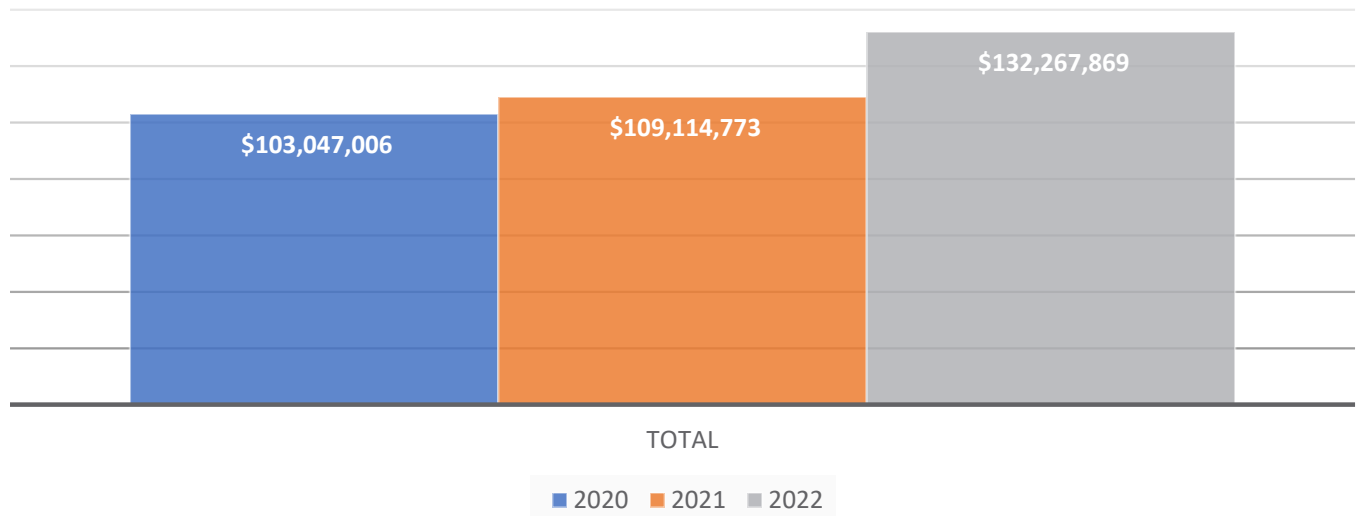


**A closer look at the money collected in the 2022 fiscal year**

The fiscal year ran from July 1, 2021 through June 30, 2022 and collected a total of \$132,267,869. Money from taxation, which included property, sales, oil & gas, franchise, gas/MVD and other taxation, was responsible for bringing in 68.13% of the money collected to fund County operations in 2022.



## Total Revenue Three-year Comparison

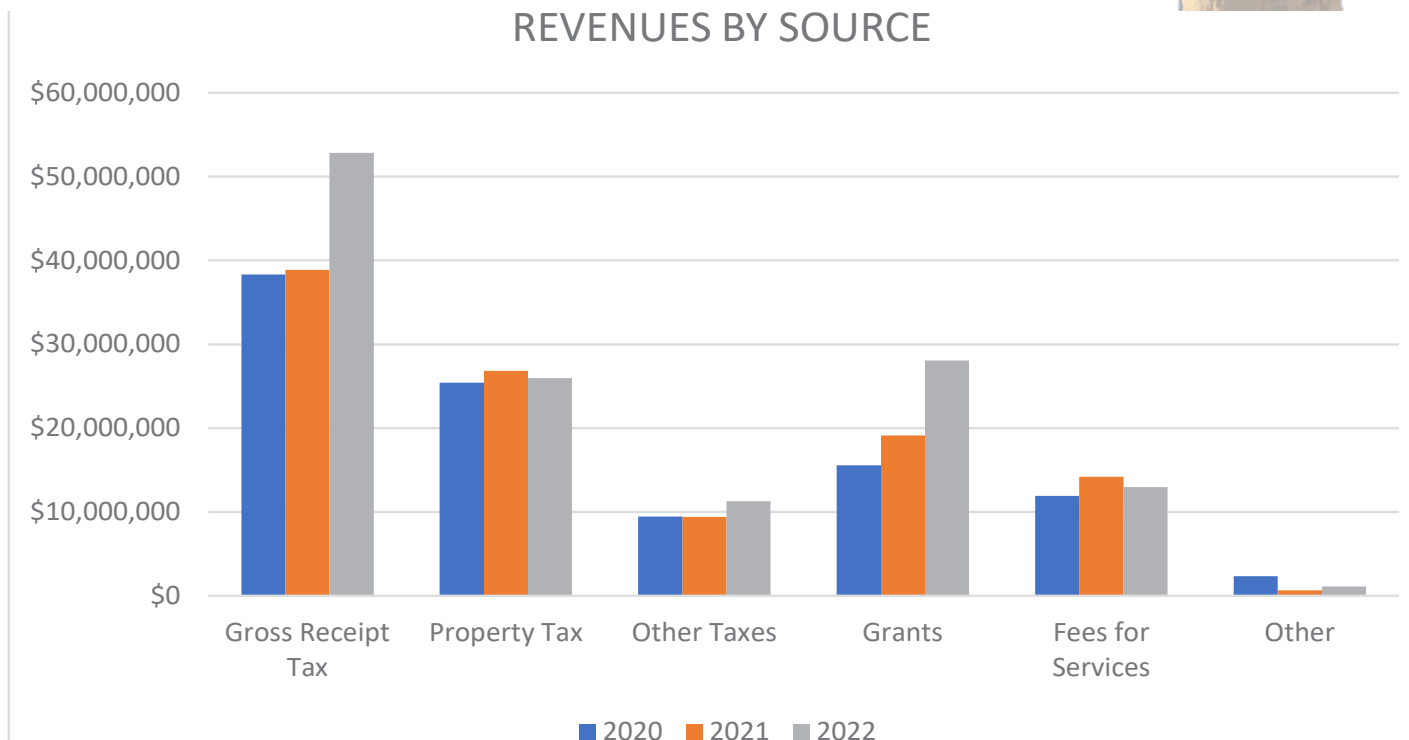


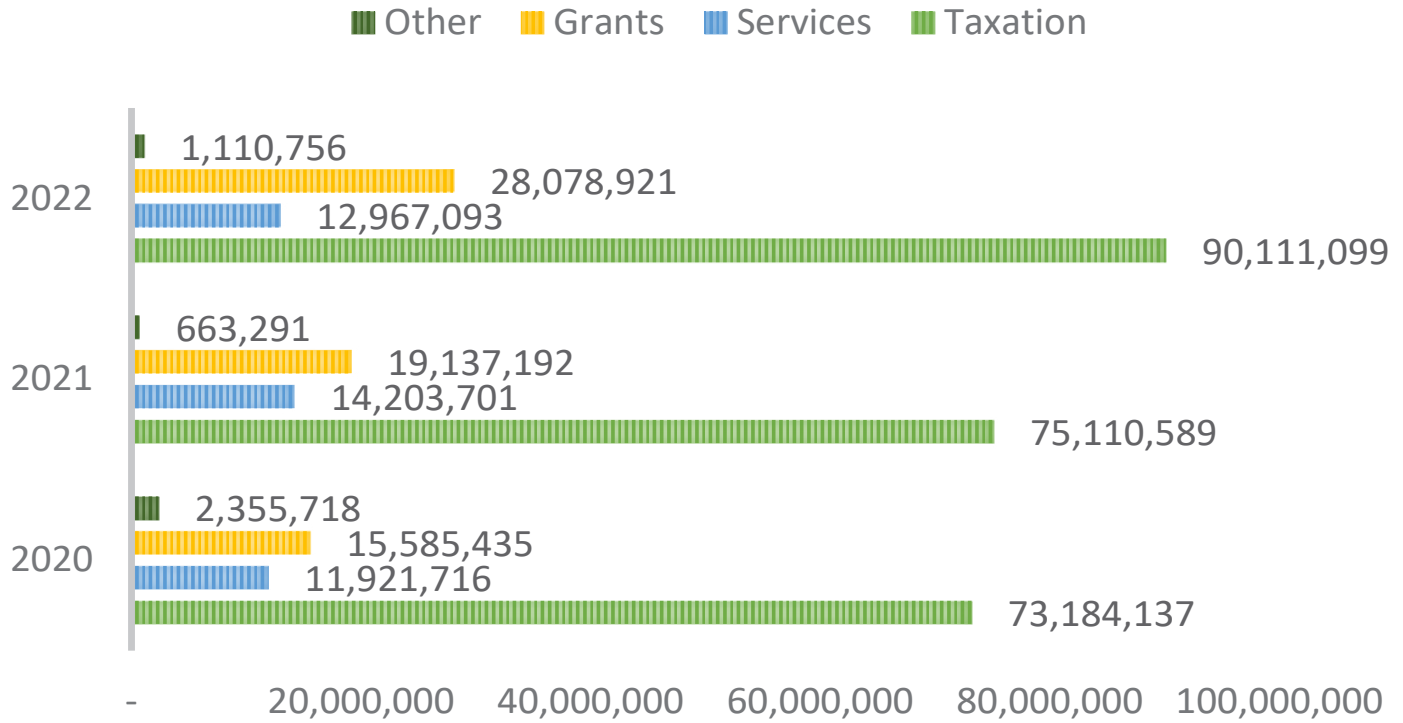
The three-year comparison, above, shows the County collections were relatively similar in 2020 and 2021. The County saw an increase in sales tax revenue and grants in 2022. Overall, the money collected in 2022 was very positive and utilized to continue to provide services to you.

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.



### REVENUES BY SOURCE



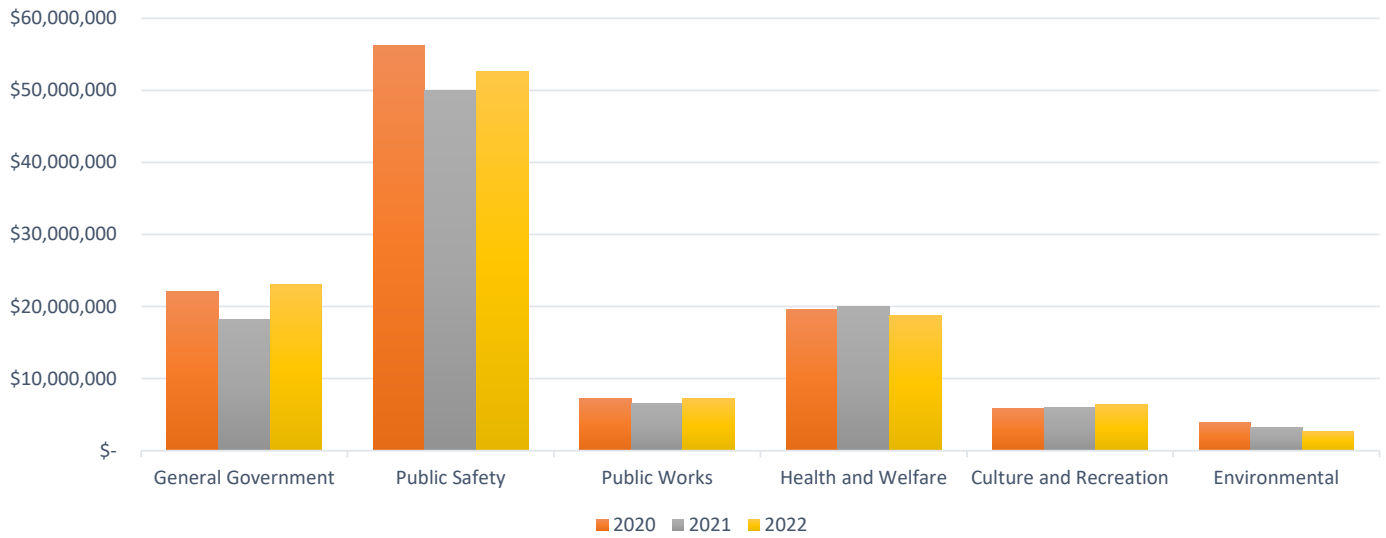


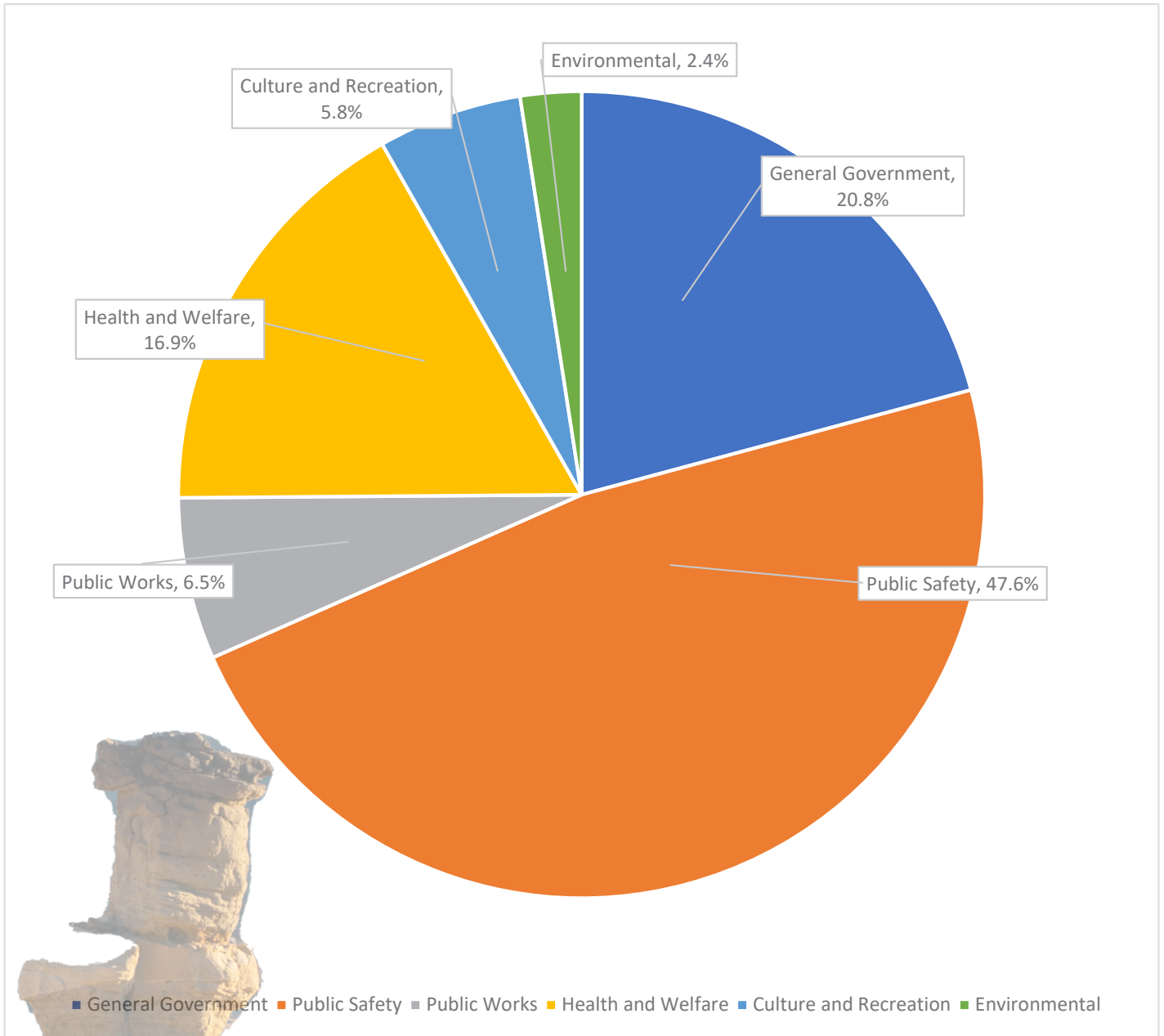
The graph above shows that the money collected for grants and taxation has increased over the past 3 years and fluctuates for services and other revenues

**A closer look at the cost of services provided in the 2022 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; averaging 109.8 million from 2020 to 2022. There was a slight decrease in Health and Welfare of \$1.34 million after the opening of the Mental Wellness Resource Center and obtaining a couple of grants that cover employee wages, benefits, and operating costs. Culture and Recreation saw an increase of \$472,315 primarily due to the increased play at Riverview Golf Course due to the temporary closure of Pinon Hills Golf Course.

### Total Expenditures Three-Year Comparison





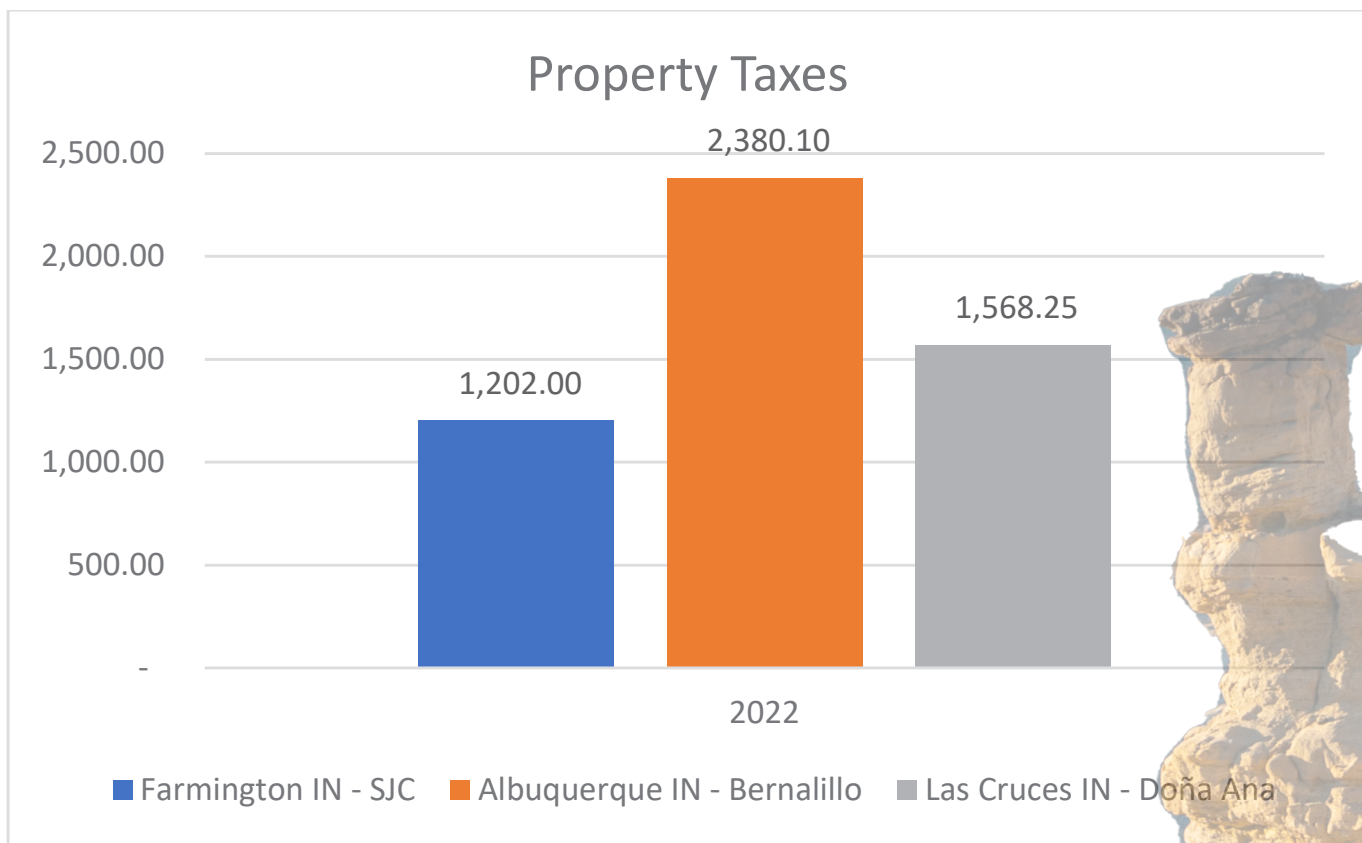
Of the \$110.76 million spent in the 2022 fiscal year, 47.6% of that total provided public safety services including \$19,079,583 to operate the adult, juvenile and DWI facilities, and \$17,464,966 to operate the San Juan County Sheriff's Office and County Fire Department. Of the 16.9% spent on health and welfare, \$8,721,542 covered the cost of the County's internally funded employee insurance plan, \$5,233,517 covered the cost of providing healthcare assistance and \$1,365,872 in housing assistance payments to low-income families. The total cost of \$23,058,401 in general government covers a large span of costs to operate



the County through a total of 18 support departments. Additionally, \$1,581,541 of that amount covers the interest incurred on the \$30,950,881 in debt outstanding at the end of the 2022 fiscal year.

**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, collects and remits those taxes to the related entities. San Juan County's property tax rate is charged at a rate of \$8.5 for every \$1,000 of taxable value. This means the County would receive \$425 on a property whose total value is \$150,000 (\$50,000 taxable). The County remains the second lowest in property tax in 33 Counties! The County received a total of \$25.98 million for its share of property tax revenue in 2022



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 Does the Money Collected Serve the Community?**

The money collected for the period July 1, 2021 through June 30, 2022 was used for a broad array of services benefiting the Citizens of the County. In total, the County collected \$132.27 million this year to spend on these services, which can be classified into six 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

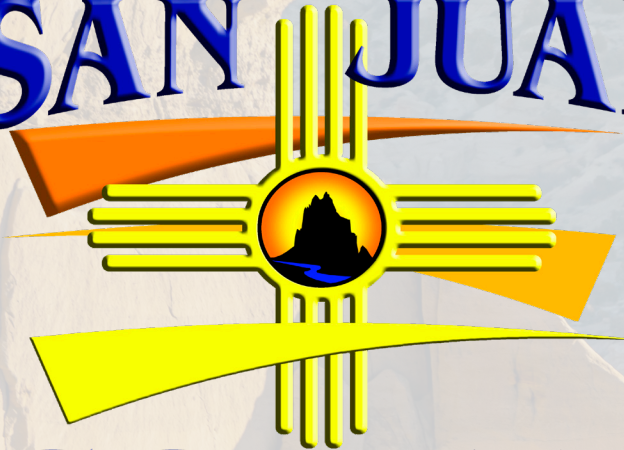
- Parks and facilities maintenance
- Riverview Golf Course
- McGee Park Fairgrounds

## Environmental

- Operation of trash convenience centers



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**100 S. Oliver Drive**

**Aztec, NM 87410**

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