

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT**

**Annual Financial Report
Year Ended June 30, 2019**

(With Independent Auditor's Report Thereon)

ROBERT J. RIVERA, CPA, PC
CERTIFIED PUBLIC ACCOUNTANT
SANTA FE, NEW MEXICO 87505-4761

INTRODUCTORY SECTION

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FIRST JUDICIAL DISTRICT COURT
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**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT**

OFFICIAL ROSTER

June 30, 2019

Judges

Honorable Francis J. Mathew	Division 1
Honorable Maria Sanchez-Gagne	Division 2
Honorable Raymond Z. Ortiz	Division 3
Honorable Sylvia LaMar	Division 4
Honorable Jason C. Lidyard	Division 5
Honorable Bryan Biedscheid	Division 6
Honorable T. Glenn Ellington.....	Division 7
Honorable Mary L. Marlowe Sommer (Chief Judge)	Division 8
Honorable Matthew J. Wilson	Division 9

Administrative Officials

Stephen T. Pacheco
Kathleen J. Vigil

Court Executive Officer
Deputy Court Executive Officer and Chief Financial Officer
(Court Executive Officer and Chief Financial Officer as of
October 1, 2019)

FINANCIAL SECTION

Robert J. Rivera, CPA, PC

Certified Public Accountants

6 Calle Medico, Suite 4

Santa Fe, New Mexico 87505-4761

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(505) 983-6002

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INDEPENDENT AUDITOR'S REPORT

Honorable Mary L. Marlowe S, Chief Judge
First Judicial District Court
Santa Fe, New Mexico
and
Brian S. Colón, ESQ.
New Mexico State Auditor
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico - First Judicial District Court (Court), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico – First Judicial District Court, as of June 30, 2019 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.

Emphasis of Matter

As discussed in Note 2, the financial statements of the District Court are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparison for the general fund and special revenue funds that are attributable to the transactions of the State of New Mexico – First Judicial District Court. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2019, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages viii through xiii 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the State of New Mexico – First Judicial District Court's basic financial statements. The combining and individual non-major fund financial statements, the budgetary comparisons for the non-major funds, the other schedules required by 2.2.2 NMAC (Schedules 1-3), and the Introductory Section, as listed in the table of

contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements, the budgetary comparisons for the non-major funds, the other schedules required by 2.2.2 NMAC (Schedules 1-3), and the Introductory Section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the budgetary comparisons for the non-major funds, the other schedules required by 2.2.2 NMAC (Schedules 1-3), and the Introductory Section is 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 October 26, 2019, on our consideration of the State of New Mexico – First Judicial District Court'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 solely 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 effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
October 26, 2019

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2019**

The First Judicial District Court's "Management's Discussion and Analysis" is intended to provide an overview of the Court's activities and programs resulting in planning and expenditure of the annual budget. The Court's annual budget consists of several fund sources which include: (1) State General Fund appropriations, (2) court fees, and (3) fund transfers from other state agencies.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts: (1) Management's Discussion and Analysis, (2) the basic financial statements, (3) the combining and individual fund financial statements, and (4) other supplementary information that presents schedules. The basic financial statements include two types of statements that present a different view of the Court.

- The first two are government-wide financial statements that provide both long and short-term information about the Court's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Court. The governmental fund statements identify how the general government service was financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. In addition to these required items, we have included a supplementary information section with supporting schedules.

Government-Wide Financial Statements

The government-wide financial statements provide information about the Court as a whole using accounting methods similar to those used by private sector entities. The statement of net position includes all of the government's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide financial statements identify the Court's net position and how it has changed. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. earned but uncollected grant revenues and earned but unused vacation leave). The government-wide financial statements present the expenses of the Court by function. The Court has only one function - Judicial Services - which is a governmental activity. The Court does not have any business-type activities or any component units. "Net position" is one way to measure the Court's financial position or "health." Over a period of time, increases or decreases in the Court's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

Government-wide Condensed Financial Information

Government-wide condensed financial information is displayed below. Comparative information from the previous fiscal year is included for the reader's information.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2019**

<u>Statement of Net Position</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>Increase (Decrease) Change</u>
Assets:			
Current assets	\$ 1,129,704	\$ 855,169	\$ 274,535
Capital assets, net	367,810	422,835	(55,025)
Total assets	<u>1,497,514</u>	<u>1,278,004</u>	<u>219,510</u>
Liabilities:			
Current liabilities	650,127	606,850	43,277
Long-term liabilities	35,776	31,962	3,814
Total liabilities	<u>685,903</u>	<u>638,812</u>	<u>47,091</u>
Net position:			
Invested in capital assets, net	367,810	422,835	(55,025)
Restricted	443,801	216,480	227,321
Unrestricted	-	(123)	123
Total net position	<u>\$ 811,611</u>	<u>\$ 639,192</u>	<u>\$ 172,419</u>
Changes in Net Position			
Program revenues - court fees	\$ 593,067	\$ 596,419	\$ (3,352)
Operating grants	260,750	298,537	(37,787)
Miscellaneous revenues	-	632	(632)
Total program revenue	<u>853,817</u>	<u>895,588</u>	<u>(41,771)</u>
General revenue, transfers and special items:			
State appropriations	7,291,800	6,904,200	387,600
Reversion to State General Fund	(6,131)	(22,551)	16,420
Other state funds	328,446	85,164	243,282
Donated capital assets transferred from other agencies	52,862	-	52,862
Total general revenue, transfers and special items	<u>7,666,977</u>	<u>6,966,813</u>	<u>700,164</u>
Program expenses	<u>8,348,375</u>	<u>7,842,502</u>	<u>505,873</u>
Total expenses	<u>8,348,375</u>	<u>7,842,502</u>	<u>505,873</u>
Change in net position	172,419	19,899	152,520
Beginning net position	639,192	619,293	19,899
Ending net position	<u>\$ 811,611</u>	<u>\$ 639,192</u>	<u>\$ 172,419</u>

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2019**

Financial Analysis of the Changes in Net Position

During the fiscal year, the Court received State General Fund appropriations to pay the operating expenses of the Court. Any unused balance of the appropriation is reverted. General Fund appropriations increased by \$387,600, from \$6,904,200 for FY 2018 to \$7,291,800 for Fiscal Year 2019. Reversion of unused appropriations for FY 2019 was \$6,131 compared to \$22,551 for FY 2018. The net position of the Court's increased by \$172,419, primarily the result of an unused \$110,000 multi-year State General fund appropriation for upgrading of the security systems in the Court's facilities.

Financial Analysis of the Fund Financial Statements

The fund financial statements provide more detailed information about the Court's significant funds rather than the Court as a whole. "Funds" are accounting devices that the Court uses to keep track of specific sources of funding and expenditures for special purposes.

1. **General Fund – Court Regular account (SHARE Fund 14100):** All of the agency's core judicial services are reflected in the general appropriations fund and provide information to help the user determine whether there are more or fewer financial resources that are available to finance the Court's core programs.
2. **General Fund - Child Support Hearing Officer account (Share Fund 91800):** Funds transferred from the NM Human Services Department and used by the Court to operate a Child Enforcement Program.
3. **Mediation Special Revenue Fund (SHARE Fund 91700):** Funds collected as docket fees on certain type of court cases used by the Court to operate a domestic mediation program.
4. **Alternative Dispute Resolution (ADR) Special Revenue Fund (SHARE Fund 87800):** Funds collected as a surcharge on certain type of cases and used by the Court to operate an Alternative Dispute Resolution program.
5. **Drug Court Program Fees Special Revenue Fund (SHARE Fund 51600):** Fees collected from adult drug court participants to offset client service costs of the drug court program.
6. **Drug Court Special Revenue Fund (SHARE Fund 01600):** Funds provided as a federal grant award from the Health and Human Services Department, Substance Abuse and Mental Health Services Administration (SAMHSA). Grant funds are used to enhance the Adult Drug Court and Treatment Court to better serve the high risk/high needs population and to improve overall graduation and retention rates.
7. **GF Capital Outlay Special Revenue Fund (SHARE Fund 93100):** Funds appropriated from the State General Fund for the purchase and installation of security equipment in the County Judicial complexes in Los Alamos, Rio Arriba and Santa Fe, pursuant to Laws of 2019, Chapter 277).

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2019

8. **Safe Exchange and Supervised Visitation and Mediation Special Revenue Fund (SHARE Fund 12190):** Fees collected to pay for the cost of the Safe Exchange and Supervised Visitation and mediation program for children and parents pursuant to a sliding fee scale approved by the Supreme Court.

General Fund – Court Regular account 14100 - The Court received and expended funding from the Administrative Office of the Courts in support of the Court's Drug Court Programs in Rio Arriba and Santa Fe Counties. The amount allocated to the First Judicial District Court totaled \$301,381, with the Adult Drug Court receiving \$212,981, the Juvenile Drug Court receiving \$48,151, and the Treatment Court receiving \$40,249. State General fund appropriations amounted to \$7,181,800, the compensation appropriation was \$238,000, and the Court Appointed Special Advocate (CASA) program generated \$90,246.

General Fund – Child Support Hearing Officer account 91800 - Child Support Hearing Enforcement revenue is received from the NM Human Services Department and remained stable at \$256,548 for the audit year.

Mediation Special Revenue Fund 91700 - Mediation revenue collected as docket fees was used to support the Court's ongoing Mediation Program. In Fiscal Year 2019, revenue collections of \$150,248 for this program increased slightly over the Fiscal Year 2018 collections of \$142,080.

Safe Exchange and Supervised Visitation and Mediation Special Revenue Fund 12190 – Fees collected to pay for the cost of the Safe Exchange and Supervised Visitation and mediation program for children and parents was \$9,866 for Fiscal Year 2019. This was the first year of the program.

Alternative Dispute Resolution Special Revenue Fund 87800 - Alternative Dispute Resolution revenue is collected as a surcharge on certain case types. Revenue collected in Fiscal Year 2019 decreased by \$5,343 over the Fiscal Year 2018 collections of \$69,339.

Drug Court Program Fees Special Revenue Fund 51600 - Fees collected from adult drug court participants to offset client service costs of the drug court program was \$1,355 in FY 2019 compared to \$430 in FY 2018.

Drug Court Special Revenue Fund 01600 - The Adult Drug Court and Treatment Court programs received federal grant funding in the amount of \$4,202 from the Health and Human Services Department, Substance Abuse and Mental Health Services Administration (SAMHSA).

GF Capital Outlay Special Revenue Fund 93100 - Funds appropriated from the State General Fund for the purchase and installation of security equipment in the County Judicial complexes in Los Alamos, Rio Arriba and Santa Fe, pursuant to Laws of 2019, Chapter 277) was \$110,000 in FY 2019. This was the first year of the fund.

Budgetary Highlights – General Fund

The First Judicial District Court processed budget adjustments during the fiscal year in an effort to better service the internal and external customers of the Court. The adjustments were necessary to reflect minor changes to court operations. General Fund revenue (Fund 14100 and Fund 91800) increased by \$502,282 from \$7,631,114 in FY 2018 to \$8,133,396 in FY 2019. This is primarily the results of an increase in State General Fund appropriations and compensation appropriations of \$515,560.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2019**

Capital Assets and Long-Term Debt

The Court purchased capital assets during the year totaling \$18,349 and received a transfer of data processing equipment totaling \$80,012 and accumulated depreciation of \$(27,151) from the NM Administrative Office of the Courts. Depreciation expense was \$126,235. Net capital assets decreased by \$55,025. The long-term debt for compensated absences increased by \$3,814, from \$31,962 to \$35,776. The Court does not own any infrastructure assets.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Increases in revenues for the State of New Mexico resulted in an increase in General Fund Appropriations for the First Judicial District Court of \$277,600. The State General Fund appropriation for FY 2019 increased by \$277,600 over the FY 2018 amount, from \$6,904,200 to \$7,181,800. This funding supported phase one of the Workforce Investment Plan which allowed for pay adjustments for employees in the Judicial Specialist (Court Clerks) series. In FY 2019, the First Judicial District Court's General Fund Appropriation received \$238,000 in order to provide agency-wide compensation increases as well as targeted increases for specific employee classifications. In addition, the Court received a \$110,000 special State General Fund appropriation to be used in FY's 2019-2023 for the purchase and installation of security equipment in the county complexes of Los Alamos, Rio Arriba and Santa Fe.

Effective July 1, 2019, by Supreme Court Order, the administrative functions of all district and magistrate courts will be consolidated statewide. Budget requests and operating budgets for each judicial district, beginning for Fiscal Year 2020 will include appropriations for magistrate court salaries and operating expenses to support the consolidated administration.

AGENCY HIGHLIGHTS

The First Judicial District Court operates under the New Mexico state statutes, Sections 34-6-1, 34-6-3, 34-6-7, 34-6-17, through 34-6-46 NMSA, 1978 Compilation. The district court is a state court of general jurisdiction and is authorized to hear and determine all civil and criminal cases, which are not specifically exempted from its jurisdiction.

The First Judicial District Court (Agency 231) is comprised of three counties: Santa Fe, Rio Arriba and Los Alamos. The District Court is authorized nine (9) district judges, eight are based in Santa Fe (Santa Fe County), New Mexico and one is based in Tierra Amarilla (Rio Arriba County), New Mexico. Trials, hearings and other judicial activities are also occasionally conducted in Los Alamos (Los Alamos County). The First Judicial District Court covers 7,870 square miles of area in north central New Mexico. Since Santa Fe is the state capitol, all case filings involving state government are filed in Santa Fe. Another driver for case file trends in our Court is the location of a maximum-security prison within Santa Fe County.

The current total caseload for the First Judicial District Court is over 10,000 new and reopened cases. The adjudication of this caseload is distributed among all nine presiding District Judges.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2019**

CONTACTS ON THE AGENCY'S FINANCIAL STATEMENTS

The State of New Mexico - First Judicial District Court financial report is designed to provide citizens, taxpayers, customers, legislators and creditors with general overview of the agency and to demonstrate the agency's accountability for the funds it receives. If there are any questions about this report or if additional information is needed, please contact:

**Ms. Kathleen J. Vigil, Court Executive Officer
First Judicial District Court
P. O. Box 2268
Santa Fe, NM 87504**

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Net Position
June 30, 2019**

	<u>Governmental Activities</u>
<u>Assets</u>	
Interest in the State Treasurer General Fund Investment Pool	\$ 1,095,984
Petty cash	850
Other receivables	<u>32,870</u>
Total current assets	<u>1,129,704</u>
Capital assets	1,012,085
Less accumulated depreciation	<u>(644,275)</u>
Total capital assets, net of depreciation	<u>367,810</u>
Total assets	<u><u>\$ 1,497,514</u></u>
<u>Liabilities and Net Assets</u>	
Liabilities:	
Vouchers payable	\$ 91,679
Accrued payroll	139,267
Payroll taxes payable	54,864
Payroll benefits payable	104,654
Due to State General Fund	77
Undistributed receipts	3,736
Compensated absences payable:	
Due within one year	255,850
Due after one year	<u>35,776</u>
Total liabilities	<u>685,903</u>
Net Position:	
Invested in capital assets	367,810
Restricted for program expenditures, subsequent years	443,801
Unrestricted (deficit)	<u>-</u>
Total net position	<u>811,611</u>
Total liabilities and net position	<u><u>\$ 1,497,514</u></u>

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Activities
Year Ended June 30, 2019**

	<u>Governmental Activities</u>
Expenses:	
Judicial:	
Administrative services	\$ 8,222,140
Depreciation expense	126,235
	<hr/>
Total expenses	8,348,375
	<hr/>
Program revenues:	
Charges for services	593,067
Operating grants	260,750
	<hr/>
Total program revenue	853,817
	<hr/>
Net program expenses	(7,494,558)
	<hr/>
General revenue, transfers and special items:	
Transfers:	
General fund appropriation	7,291,800
Reversion to State General Fund - FY 2019	(6,131)
Other financing sources -other state funds	328,446
Other financing sources-transfer of capital assets from AOC	52,862
	<hr/>
Total general revenue, transfers and special items	7,666,977
	<hr/>
Change in net position	172,419
	<hr/>
Net position, beginning	639,192
	<hr/>
Net position, ending	\$ 811,611
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Balance Sheet
Governmental Funds
June 30, 2019

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>Fund 14100 and Fund 91800 General Fund</u>	<u>Fund 91700 Mediation Spec. Rev. Fund</u>	<u>(Stmt. 4) Other Governmental Funds</u>	<u>Interfund Eliminations</u>	
Assets					
Interest in the State Treasurer General Fund Investment Pool	\$ 605,307	\$ 156,117	\$ 334,560	\$ -	\$ 1,095,984
Petty cash	850	-	-	-	850
Other receivables	31,285	915	670	-	32,870
Due from grantor	-	-	-	-	-
Due from other state agencies	-	-	-	-	-
Total assets	\$ 637,442	\$ 157,032	\$ 335,230	\$ -	\$ 1,129,704
Liabilities and Fund Balance					
Liabilities:					
Interest in the State Treasurer General Fund Investment Pool (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
Vouchers payable	85,463	5,266	950	-	91,679
Accrued payroll	139,267	-	-	-	139,267
Payroll taxes payable	54,864	-	-	-	54,864
Payroll benefits payable	104,654	-	-	-	104,654
Due to State General Fund	77	-	-	-	77
Undistributed receipts	3,736	-	-	-	3,736
Total liabilities	388,061	5,266	950	-	394,277
Fund Balance:					
Non-spendable	-	-	-	-	-
Restricted	183,531	151,766	224,279	-	559,576
Committed	65,000	-	-	-	65,000
Assigned	850	-	110,000	-	110,850
Unassigned	-	-	-	-	-
Total fund balance	249,381	151,766	334,279	-	735,426
Total liabilities and fund balance	\$ 637,442	\$ 157,032	\$ 335,229	-	\$ 1,129,703

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2019**

Total fund balance for the governmental funds (Balance Sheet) Exhibit C	\$ 735,427
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:

Capital assets	\$ 1,012,085	
Accumulated depreciation	<u>(644,275)</u>	
 Total capital assets		 367,810

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of the following:

Compensated absences	<u>(291,626)</u>
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Net position of governmental activities (statement of net position) Exhibit A	\$ <u>811,611</u>
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The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>Fund 14100 and Fund 91800 General Fund</u>	<u>Fund 91700 Mediation Spec. Rev. Fund</u>	<u>(Stmt. 5) Other Governmental Funds</u>	
Revenues:				
Federal grants - interagency	\$ 256,548	\$ -	\$ 4,202	\$ 260,750
Charges for services - interagency	301,381	-	-	301,381
Charges for services - fees	66,221	150,248	75,217	291,686
Miscellaneous revenues	-	-	-	-
	<u>624,150</u>	<u>150,248</u>	<u>79,419</u>	<u>853,817</u>
Total revenues				
	<u>624,150</u>	<u>150,248</u>	<u>79,419</u>	<u>853,817</u>
Expenditures:				
Judicial:				
Current:				
Administrative services	8,064,249	106,594	37,822	8,208,665
Capital outlay	18,349	-	-	18,349
	<u>8,082,598</u>	<u>106,594</u>	<u>37,822</u>	<u>8,227,014</u>
Total expenditures				
	<u>8,082,598</u>	<u>106,594</u>	<u>37,822</u>	<u>8,227,014</u>
Excess (deficiency) of revenues over expenditures	<u>(7,458,448)</u>	<u>43,654</u>	<u>41,597</u>	<u>(7,373,197)</u>
Other financing sources (uses):				
Transfers in:				
State general fund appropriation	7,181,800	-	110,000	7,291,800
Other state funds	328,446	-	-	328,446
Transfers out:				
Reversion to State General Fund- FY 2019	<u>(6,131)</u>	<u>-</u>	<u>-</u>	<u>(6,131)</u>
Total other financing sources (uses)	<u>7,504,115</u>	<u>-</u>	<u>110,000</u>	<u>7,614,115</u>
Net change in fund balance	45,667	43,654	151,597	240,918
Fund balance, beginning	<u>203,714</u>	<u>108,112</u>	<u>182,683</u>	<u>494,509</u>
Fund balance, end of year	<u>\$ 249,381</u>	<u>\$ 151,766</u>	<u>\$ 334,280</u>	<u>\$ 735,427</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Government-wide Statement of Activities
Year Ended June 30, 2019

Net change in fund balance - Governmental Funds
(Statement of Revenues, Expenditures and Changes in
Fund Balance) Exhibit E

\$ 240,918

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:

Capital outlay	\$	18,349	
Depreciation expense		<u>(126,235)</u>	
Excess of depreciation over capital outlay expense			(107,886)
Transfer of capital assets from other state agencies			52,862

Expenses recognized in the statement of activities, not reported in governmental funds:

Increase in current and long term compensated absences			<u>(13,475)</u>
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Change in net position of governmental activities
(Statement of Activities) Exhibit B

\$ 172,419

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Major Governmental Funds
General Fund - All Accounts
Year Ended June 30, 2019

	<u>General Fund - All Accounts (From Statement 3, pg. 3 of 3)</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Favorable</u>
			<u>Basis</u>	<u>(Unfavorable)</u>
Revenues:				
State appropriations	\$ 7,181,800	\$ 7,181,800	\$ 7,181,800	\$ -
Federal contract - interagency	256,500	256,500	256,548	48
Other financing sources-other state funds	323,200	323,200	328,446	5,246
Charges for services - interagency	306,600	306,600	301,381	(5,219)
Charges for services - court fees	70,000	70,000	66,221	(3,779)
Miscellaneous revenue	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total revenues	8,138,100	8,158,100	<u>\$ 8,134,396</u>	<u>\$ (23,704)</u>
Cash balance appropriated	<u>19,800</u>	<u>19,800</u>		
Total budgeted resources	<u>\$ 8,157,900</u>	<u>\$ 8,177,900</u>		
Expenditures:				
Administrative services:				
Personal services and benefits	\$ 7,316,100	\$ 7,271,300	\$ 7,250,349	\$ 20,951
Contractual services	455,800	424,500	420,281	4,219
Other costs	<u>386,000</u>	<u>482,100</u>	<u>411,968</u>	<u>70,132</u>
Total expenditures	<u>\$ 8,157,900</u>	<u>\$ 8,177,900</u>	<u>\$ 8,082,598</u>	<u>\$ 95,302</u>
Reconciliation of GAAP basis to budgetary basis:				
GAAP basis		\$ 8,134,396	\$ 8,082,598	
Adjustments: None		<u>-</u>	<u>-</u>	
Budgetary basis		<u>\$ 8,134,396</u>	<u>\$ 8,082,598</u>	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
 FIRST JUDICIAL DISTRICT COURT
 Statement of Revenues and Expenditures
 Budget and Actual (Budgetary Basis)
 Major Governmental Funds
 Court Mediation Special Revenue Fund (Fund 91700)
 Year Ended June 30, 2019

Court Mediation Special Revenue Fund (Fund 91700)				
	Original Budget	Final Budget	Actual Budget Basis	Variance Favorable (Unfavorable)
Revenues:				
Charges for services - court fees	\$ 257,300	\$ 257,300	\$ 150,248	\$ (107,052)
Total revenues	257,300	257,300	\$ 150,248	\$ (107,052)
Cash balance appropriated	-	-		
Total budgeted resources	\$ 257,300	\$ 257,300		
Expenditures:				
Administrative services:				
Personal services and benefits	\$ 173,600	\$ 173,600	\$ 89,280	\$ 84,320
Contractual services	20,000	20,000	5,626	14,374
Other costs	63,700	63,700	11,688	52,012
Total expenditures	\$ 257,300	\$ 257,300	\$ 106,594	\$ 150,706
Reconciliation of GAAP basis to budgetary basis:				
		Revenues	Expenditures	
GAAP basis		\$ 150,248	\$ 106,594	
Adjustments: None		-	-	
Budgetary basis		\$ 150,248	\$ 106,594	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019**

	<u>Agency Funds</u>
<u>Assets</u>	
Cash in banks	\$ 7,749,572
State Treasurer's Local Government Investment Pool (LGIP)	<u>73,625</u>
Total Assets	<u>\$ 7,823,197</u>
<u>Liabilities</u>	
Deposits held for others	\$ <u>7,823,197</u>
Total Liabilities	<u>\$ 7,823,197</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

1. Summary of Significant Accounting Policies

The financial statements of the First Judicial District Court (Court) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Court's accounting policies are described below:

A. Financial Reporting Entity

The First Judicial District Court operates under Section 34-6-1, 34-6-2, 34-6-4 and 34-6-17 through 34-6-46, NMSA 1978 Compilation. The First Judicial District Court covers Santa Fe, Rio Arriba and Los Alamos Counties. The District Court is the State Court of general jurisdiction and is authorized to hear and determine all civil and criminal cases which are not specifically exempted from its jurisdiction. Financing of the Court is by state appropriation.

The financial reporting entity as defined by GASB Statement 14 consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. This definition of the reporting entity is based primarily on the notion of financial accountability as the "cornerstone of all financial reporting in government."

The First Judicial District Court is a component unit of the Judicial Branch and these financial statements include all funds and activities over which the Court has oversight responsibility. The Court is part of the primary government of the State of New Mexico and its financial data should be included with the financial data of the state. New Mexico issues an audited Comprehensive Annual Financial Report inclusive of all agencies of the primary government. The District Court has decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. The Court has no component units that are required to be reported in its financial statements.

The accounting policies of the First Judicial District Court conform to generally accepted accounting principles (U.S. GAAP) as applicable to governments. It is the policy of the Court to apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. A summary of the Court's significant accounting policies follows:

B. Government-wide and Fund Financial Statements

In the **government-wide financial statements**, the statement of net position and statement of activities display information about the Court, the primary government, as a whole, without displaying individual funds or fund types. Generally, these statements distinguish between activities that are governmental and those that are considered business-type activities. The

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019

1. **Summary of Significant Accounting Policies (Continued)**

B. Government-wide and Fund Financial Statements (Continued)

Court has no business-type activities; therefore, these statements only reflect governmental activities. Government-wide financial statements exclude information about fiduciary funds and component units that are fiduciary in nature.

The **fund financial statements**, the balance sheet and the statement of revenues, expenditures, and changes in fund balances are presented to report additional and detailed information about the Court. The accounts of the Court are organized on a fund basis, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which spending activities are controlled. The following fund types are used by the Court.

Governmental Funds

General Fund

General Fund - Court Regular Account - The General Fund is the general operating fund of the District Court. It is used to account for all financial resources except those required to be accounted for in another fund. Unless any state general fund appropriations are designated for expenditure in subsequent fiscal years, any unexpended balance remaining in the General Fund at the end of the fiscal year reverts to the State General Fund of New Mexico. The fund is a major fund and the SHARE fund number is 14100.

General Fund - Child Support Hearing Officer Account - The Child Support Hearing Officer fund is a component of the General fund. It was created through a contract with the New Mexico Human Services Department. The major fund is non-reverting, the SHARE fund number is 91800, and the fund is not required to maintain a minimum balance.

Special Revenue Funds - Special Revenue Funds account for revenues sources that are legally restricted to expenditures for specific purposes. No expenditures can be made from special revenue funds for operations of the Court.

Court Mediation Special Revenue Fund - The Court has established a domestic relations mediation program pursuant to Section 40-12-5 NMSA 1978 of the Domestic Relations Mediations Act. Deposits to this fund shall include payments made through the imposition of a sliding fee scale and the collection of a surcharge provided for in the Domestic Relations Mediation Act. The major fund is non-reverting, the SHARE fund number is 91700 and the fund is not required to maintain a minimum balance.

Safe Exchange and Supervised Visitation and Mediation Special Revenue Fund - This non-major fund accounts for a fee collected by the Court pursuant to section 40-12-5.1 NMSA 1978. Money in the fund is administered to offset client service costs of the Safe Exchange and Supervised Visitation program, consistent with standards approved by

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Safe Exchange and Supervised Visitation and Mediation Special Revenue Fund – (Continued)

the Supreme Court. The fund is non-reverting. The SHARE fund number is 12190 and the fund is not required to maintain a minimum balance.

Alternative Dispute Resolution Special Revenue Fund - The Court has established an Alternative Dispute Resolution Fund pursuant to Section 34-6-45 NMSA 1978. The fund obtains its resources from the imposition of a \$15 fee on all new and reopened civil cases. The non-major fund is non-reverting, the SHARE fund number is 87800 and the fund is not required to maintain a minimum balance.

Drug Court Special Revenue Fund - This non-major fund accounts for federal funds received under Title V of the Violent Control and Law Enforcement Act of 1994 and transfers from the NM Administrative Office of the Courts for the Drug Court operation by the Court. The fund is non-reverting, the SHARE fund number is 01600 and the fund is not required to maintain a minimum balance.

Drug Court Fees Special Revenue Fund - This non-major fund accounts for a drug court fee collected by the Court pursuant to Section 34-6-47 NMSA 1978. Money in the fund is administered to offset client service costs of the drug court program, consistent with standards approved by the Supreme Court. The fund is non-reverting, the SHARE fund number is 51600 and the fund is not required to maintain a minimum balance.

STB Capital Outlay Special Revenue Fund - This non-major fund was established to account for a special capital outlay appropriation for information technology from the State Legislature (Laws of 2014, Chapter 66) that was funded from Severance Tax Bond Series 2014A. Any unexpended balance as of June 30, 2016 reverts to the severance tax bond fund. The SHARE fund number is 89200 and the fund is not required to maintain a minimum balance. The fund had no activity during FY 2019.

GF Capital Outlay Special Revenue Fund - This non-major fund was established to account for a special capital outlay appropriation from the State Legislature (Laws of 2019, Chapter 277) that was funded from the State General fund. Any unexpended balance as of June 30, 2023 reverts to the State General fund. The SHARE fund number is 93100.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Court in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Court's Litigant Agency Fund is used to account for bonds collected from persons involved in pending litigation which are deposited in the

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Agency Funds (Continued)

fund and held until a court order is issued. The Court Clerk agency fund is used to account for various fees collected by the Court that are deposited in the agency fund bank accounts and then transferred to the State Treasurer for distribution to other state agencies including the Court.

C. Measurement Focus, Basis of Accounting and Financial Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The **government-wide financial statements** are reported using the “economic resources” measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, in exchange transactions, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. In non-exchange transactions, revenues, expenses, gains, and losses, are recognized in accordance with the requirements of GASBS 33, *Accounting and Financial Reporting for Non-exchange Transactions*, as amended. Depreciation expense is reported in the Statement of Activities and charged to the Judicial function. Program revenues consist of charges for services (court fines and fees) and operating grants for court programs. Appropriations are recorded when received and grant revenue is recorded when all applicable eligibility or reimbursement requirements are met.

The **governmental fund financial statements** are presented on a current financial-resources measurement focus and on the modified accrual basis of accounting. Under the 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 in the current period or within 60 days after fiscal-year end to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. The presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Court’s actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented on the page following each fund financial statement which explains the adjustments necessary to convert the fund based financial statements to the government-wide presentation.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Presentation (Continued)

The Court's fiduciary fund (agency funds) is presented in the fund financial statements. The agency fund is presented on the accrual basis of accounting. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide financial statements.

During fiscal year 2014, the Court adopted the following GASB statement: GASBS 63 amended previous guidance on deferred revenue in the government-wide financial statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash and Investments*

The Court's cash and cash equivalents are in the State Treasurer's General Fund Investment Pool. The Court's Agency Funds are in demand deposit accounts at two banks and the State Treasurer's Local Government Investment Pool.

2. *Capital Assets*

In the government-wide financial statements, property, plant and equipment is accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated assets which are recorded at their estimated fair value at the date of donation. New Mexico Laws of 2005, Chapter 237, Section 1, changed the capitalization threshold for movable chattel and equipment from items costing more than \$1,000 to \$5,000. Under the new law, items in the capital asset inventory that do not meet the new capitalization threshold continue to be depreciated in future periods until they are fully depreciated. Any software acquired is also included in capital assets and depreciated. 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:

Furniture and Fixtures	10 years
Equipment and Machinery	5-10 years
Data Processing	3 years
Library	5 years

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

2. **Capital Assets (Continued)**

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.

3. **Compensated Absences Payable**

The Court's policies regarding annual leave permits employees to accumulate earned but unused annual and sick leave. The liability for these compensated absences is recorded as current and non-current liabilities in the government-wide financial statements.

4. **Equity-Net Position/Fund Balances**

Government-Wide Financial Statements

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

- a. *Investment in capital assets, net of related debt*, consists of capital assets net of accumulated depreciation and reduced by any outstanding debt. The Court has no outstanding debt relating to capital assets.
- b. *Restricted net position*, consists of net position with constraints placed on their use 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. The amount of net position restricted by enabling legislation is \$443,801.
- c. *Unrestricted net position* is all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Court first uses restricted resources then unrestricted resources.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Per GASB Statement 54, effective for financial statements for periods beginning after June 15, 2010, fund balances are classified into spendable and non-spendable classifications. The non-spendable classification includes amounts that cannot be spent because they are either (a) not in

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. *Equity-Net Position/Fund Balances (Continued)*

Fund Financial Statements (Continued)

spendable form or (b) legally or contractually required to be maintained. The spendable classifications are restricted, committed, assigned or unassigned fund balances.

In the governmental fund financial statements, *restricted fund balances* are reported when constraints placed on the use of resources are either: 1) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation. As of June 30, 2019, the fund balance restricted by laws and enabling legislation is: \$183,531 for the General Fund - Child Support Hearing Officer account; \$151,766 for Domestic Relations Mediation Special Revenue Fund; \$215,466 for Alternative Dispute Resolution Special Revenue Fund; \$8,564 for the Drug Court; \$250 for the SESV & Mediation Special Revenue Fund; and, \$110,000 for the GF Capital Outlay Special Revenue Fund.

Committed fund balances consist of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (policy action). The Court has no committed fund balances as of June 30, 2019.

Assigned fund balances consist of fund balances which are constrained by the government intent to be used for specific purposes, but are neither committed nor restricted. Intent can be expressed by 1) the governing body itself or 2) a body (such as a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Court has \$850 (petty cash) of assigned fund balance in the General Fund as of June 30, 2019 for the court clerk activity.

Unassigned fund balances consist of all other fund balances which have not been assigned to other funds and have not been restricted, committed or assigned to specific purposes within the general fund. Generally, the policy of the Court is to first apply committed resources when an expense is incurred for purposes which have committed, assigned or unassigned fund balances available for use. The Court has no unassigned fund balances as of June 30, 2019.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

1. Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The First Judicial District Court follows these procedures in establishing the budget data reflected in the financial statements:

1. No later than September 1, the First Judicial District Court submits to the Judicial Budget Office (JBO), the Legislative Finance Committee (LFC) and the Department of Finance and Administration an appropriation request for the fiscal year commencing the following July. The appropriation includes proposed expenditures and the means of financing them.
2. Appropriation request hearings are scheduled by the JBO. Recommendations are made by the JBO to the Supreme Court for their approval. The Supreme Court approved appropriation request is then submitted to the Legislature as the Supreme Court's recommended appropriation request for the First Judicial District Court.
3. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcome of these hearings is incorporated into the General Appropriations Act.
4. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit.
5. The First Judicial District Court submits, no later than May 1, to DFA an annual operating budget by category and line item based upon the appropriations made by the Legislature. The DFA - Budget Division reviews and approves the operating budget which becomes effective in July. All subsequent budget adjustments must be approved by the JBO and the director of the DFA - Budget Division. The current year budget was revised in a legal manner. Appropriations lapse at the end of the fiscal year unless specifically re-appropriated by the Legislature.
6. Legal budget control for expenditures is by appropriation unit and formal budgetary integration is employed as a management control device during the fiscal year for the Governmental Funds.
7. The budget for the General Fund and special revenue funds are adopted on a modified accrual basis of accounting. The modified accrual basis of accounting for governmental funds is the budgetary basis of accounting for the State of NM. Per the General Appropriations Act, Laws of 2012, Chapter 19, Section 3, Paragraph M, the budgetary basis is modified accrual. However, there is a statutory exception; the budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable require approval to pay prior year bills out of the FY 2020 budget.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

1. Summary of Significant Accounting Policies (Continued)

F. Compensated Absences Payable

Vacation and sick leave earned and not taken is cumulative; however, upon termination of employment, sick pay for such leave hours accumulated up to 600 hours is forfeited, and vacation pay is limited to payment of 240 hours. Vacation leave up to the maximum of 240 hours is payable upon separation from service at the employee's current hourly rate. Sick leave is payable semiannually to qualified employees for hours accumulated above 600 hours at a rate equal to 50 percent of their hourly rate, not to exceed 120 hours each semi-annual period. Upon retirement, payment for sick leave is limited to 400 hours accumulated above 600 hours at a rate equal to 50 percent of their hourly rate, not to exceed 120 hours each semi-annual period. Accrued vacation and sick leave pay are recorded as a liability and as an increase or decrease in expenses in the Government-Wide financial statements. Qualified employees accumulate 3.69 hours of sick leave per pay period and accumulate annual leave as follows:

<u>Years of Service</u>	<u>Hours Earned Per Pay Period</u>
0 - 3 years	4.62
Over 3 - 7 years	5.54
Over 7 - 14 years	6.46
Over 14 years	7.39

The maximum accrued annual leave may be carried forward into the beginning of the next calendar year and any excess is lost. In addition, the First Judicial District Court allows FLSA non-exempt employees to accumulate compensatory leave in certain approved circumstances. Compensatory leave may be carried forward into the next calendar year and any unused portion is paid at termination to non-exempt employees under the Federal Labor Standards Act.

G. Use of Estimates

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

H. Inter-fund Activity

Inter-fund transactions are treated as transfers. It is the Court's policy to eliminate internal activity such as inter-fund receivables and payables in the government-wide statements; therefore, transfers and balances between governmental funds are netted as part of the reconciliation to the government-wide statements. In the government-wide and fund financial statements, the amounts due from external parties (Court Clerk Agency Fund) at June 30, 2019 represent court fees collected on or before June 30, 2019 but not distributed to the governmental funds until after fiscal year end.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

1. Summary of Significant Accounting Policies (Continued)

I. Program Revenues

Program revenues include federal and state grants, charges for tapes and copies of court proceedings, and court fees collected per state statute.

2. Cash in Banks

Section 6-10-17 NMSA 1978 requires that banks or savings and loans provide additional collateral on funds held that exceed the FDIC insurance limit. These excess funds are required to be fifty percent collateralized. The collateralization of the Court's bank accounts is monitored by the New Mexico State Treasurer's Office. The State Treasurer issues separate financial statements which disclose the collateral pledged to secure these deposits.

Cash and cash equivalents at year-end are classified as follows:

	Bank Balance	Book Balance
Governmental Funds:		
Petty cash		\$ <u>850</u>
Agency Funds:		
Cash in Banks:		
Wells Fargo Bank (Bonds and Litigants)	\$ 7,636,061	\$ 7,624,898
NM Bank & Trust (Bonds and Litigants)	121,353	119,353
Wells Fargo Bank (Court Clerk-Escrow Account)	-	-
NM Bank & Trust (Court Clerk-Escrow Account)	<u>4,102</u>	<u>5,321</u>
Total Cash In Banks	7,761,516	\$ <u>7,749,572</u>
Less FDIC coverage	<u>(375,455)</u>	
Total uninsured public funds	7,386,061	
50% collateral requirements (Section 6-10-17 NMSA 1978)	<u>(3,693,305)</u>	
Pledged Security	<u>*</u>	

* The actual amount and detail of pledged collateral for the uninsured public funds is not available because the banks commingle pledged collateral for all state funds they hold and provide proof of collateral sufficient to cover all state funds deposited with the NM State Treasurer's Office.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

3. Investment in the State General Fund Investment Pool and Local Government Investment Pool

State law (Section 8-6-3 NMSA 1978) requires the Court's cash to be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Court consist of an interest in the State General Fund Investment Pool (SGFIP) and the Local Government Investment Pool (LGIP).

Investments at year-end are classified as follows:	<u>State Treasurer Balance</u>	<u>Book Balance</u>
Governmental Funds:		
State Treasurer's State General Fund Investment Pool (GFIP)	\$ 1,095,984	\$ 1,095,984
Agency Funds:		
State Treasurer's Local Government Investment Pool (LGIP)	73,625	73,625
Total In External Investment Pools	<u>\$ 1,169,609</u>	<u>\$ 1,169,609</u>

Interest Rate Risk - The New Mexico State Treasurer's Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is the means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit risk - The State Treasurer's State General Fund Investment Pool is not rated.

The State Treasurer has the authority to invest money held in demand deposits and not immediately needed for the operation of state government in securities in accordance with Section 6-10-10 I through O, NMSA 1978, as amended. For additional GASBS 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2019.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned. The Court's policy with regard to custodial credit risk is to adhere to the statutes of the State of New Mexico, Sections 6-10-15 through 6-10-21 NMSA 1978. As of June 30, 2019, \$7,386,061 of the Court's bank balances totaling \$7,761,516 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank not in the name of the Court or the State of New Mexico	\$3,693,305
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**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

3. Investment in the State General Fund Investment Pool and Local Government Investment Pool (Continued)

New Mexico LGIP

The Court invests a portion of its litigant agency funds in the State Treasurer's New Mexico Local Government Investment Pool (LGIP), a money market fund which is rated AAAM by Standard and Poor's.

The following additional disclosures are provided for the Court's investment in the New Mexico LGIP as of June 30, 2019:

<u>Account Balance</u>	<u>Credit Risk</u>	<u>Interest Rate Risk Weighted Average Maturity (WAM)</u>
\$72,635	AAAM	(35) day WAM(R); (112) day WAM(F)

With respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk. With respect to custodial credit risk, public funds are not required to disclose custodial credit risk for external investment pools.

Therefore, the LGIP is exempt from this requirement. With respect to concentration of credit risk, public funds are not required to disclose concentration of credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

State General Fund Investment Pool Reconciliation

Compliant with statute 6-10-3 NMSA 1978, and to optimize state cash management and investment practices, funds of various state agencies are deposited in the State General Fund Investment Pool (SGFIP). This pool is managed by the New Mexico State Treasurer's Office (STO). Claims on the SGFIP are reported as financial assets by the various agencies investing in the SGFIP.

To the extent possible, the Court does reconcile all fines, fees and transfers that come into its possession including those receipts that are statutorily mandated to be sent to the state general fund. The cash transactions processed by the Court flow through the state general fund investment pool. Since SHARE was implemented, the Court recognized the statewide cash reconciliation issue and in response, developed internal reconciliation procedures to ensure that cash receipts and disbursements recorded in the SHARE system are in fact transactions that have been initiated by the Court. The reconciliation occurs each month and any required adjustments are forwarded to the Financial Control Division of the DFA for correction. Monthly reconciliation procedures throughout the Fiscal Year, include, but are not limited to validation of: allotments, deposits, expenditures, all general entries, operating transfers, payroll expenditures/payroll liabilities by fund, and review of outstanding warrants within the court's statewide case management system. This monthly internal reconciliation of cash receipts and disbursements flowing through the Court's share of the state general fund investment pool provides management assurance that the balance reflected in the State General Fund Investment Pool account is

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

3. Investment in the State General Fund Investment Pool and Local Government Investment Pool (Continued)

accurate as of the end of the reporting period. In addition, the Court reconciles other asset and liability accounts on the Balance Sheet of each fund type. This process also provides additional assurance that transactions affecting the court's share in the State General Fund Investment Pool account are accurate.

4. Capital Assets - Governmental Activities

<u>Cost</u>	<u>Balance 06/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/2019</u>
Furniture and fixtures	\$ 640,010	\$ 7,197	\$ -	\$ 647,207
Equipment and machinery	78,141	26,607	(15,608)	89,140
Data processing	157,956	64,557	-	222,513
Vehicles	53,225	-	-	53,225
Library	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets	929,332	98,361	(15,608)	1,012,085
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Accumulated Depreciation</u>				
Furniture and fixtures	(356,576)	(61,496)	-	(418,072)
Equipment and machinery	(48,443)	(22,484)	15,608	(55,319)
Data processing	(93,884)	(58,761)	-	(152,645)
Vehicles	(7,594)	(10,645)	-	(18,239)
Library	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	(506,497)	(153,386)	15,608	(644,275)
	<hr/>	<hr/>	<hr/>	<hr/>
Net investment in capital assets	\$ 422,835	\$ (55,025)	\$ -	\$ 367,810

Current year depreciation expense of \$126,235 was charged to the judicial expenditure function in the Statement of Activities (Exhibit B). During the fiscal year, the Court capitalized furniture, fixtures and equipment purchases for \$18,349, and \$80,012 which was transferred to the Court by the NM Administrative Office of the Courts. Additionally, accumulated depreciation of \$27,151 related to the transferred assets was transferred to the Court by the NM Administrative Office of the Courts. There were no capital assets deleted during the year.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

5. Due to/Due from Other State Agencies

Due From Agency/Fund	Due to Agency/Fund	Name of Other Agency	Due From	Due To
23100/14100	34101/85300	Department of Finance and Administration - State General Appropriation Account	\$ -	\$ 77
			<u>\$ -</u>	<u>\$ 77</u>

6. Summary of Changes in Compensated Absences Payable

	Balance 6/30/2018	Increase	(Decrease)	Balance 6/30/2019
Amount Due Within One Year:				
Compensated absences payable	\$ 246,189	\$ 326,252	\$ (316,591)	\$ 255,850
Long-Term:				
Compensated absences payable	31,962	42,816	(39,002)	35,776
Total:				
Compensated absences payable	<u>\$ 278,151</u>	<u>\$ 369,068</u>	<u>\$ (355,593)</u>	<u>\$ 291,626</u>

The Court's General Fund (#14100) resources have been used to liquidate accrued compensated absences in the past.

7. GASB 77 Disclosure

The Court has no tax abatement agreements as of June 30, 2019, and therefore no disclosures under GASB 77 are required.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

8. Operating Leases

The First Judicial District Court has various leases for photocopy and other machines which can be terminated, with no penalty to the Court, if the NM State Legislature does not appropriate funds to the Court. Total lease and rent of equipment expenditures for FY 2019 were \$48,019. For operating leases with remaining terms in excess of one year as of June 30, 2019, the minimum future rental payments for each of the next five years in the aggregate are as follows:

<u>Year Ending June</u>	<u>Amount</u>
2020	\$ 24,599
2021	10,360
2022	1,638
2023	1,776
2024	-
Thereafter	-
	\$ 38,373

9. Pension Plan - Public Employees Retirement Association

Plan Description. Substantially all of the Court's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 8.92% (ranges from 6.28% to 18.15% depending upon the plan - i.e. state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The Court is required to contribute 16.99% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the Court are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Court's employer contribution to PERA for the years ending June 30, 2019, 2018 and 2017 were \$696,247, \$624,592 and \$620,479, respectively, equal to the amount of the required contributions for each year.

GASB 68 – Financial Reporting and Disclosure for Multiple-Employer Cost Sharing Pension Plans by Employers. Compliant with the requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, the State

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019

9. Pension Plan - Public Employees Retirement Association (cont'd)

of New Mexico has implemented the standard for the fiscal year ending June 30, 2016. The First Judicial District Court, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico. Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

10. Pension Plan - Judicial Retirement Act

Plan Description. Substantially all of the First Judicial District Court's Judges or Justices participate in a public employee retirement system authorized under the Judicial Retirement Act. The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy - Plan members are required to contribute 10.5% of their gross salary. The Court is required to contribute 15% of the gross covered salary. The Court's contributions to JRA for the years ending June 30, 2019, 2018, and 2017 were \$155,709, \$154,219 and \$160,715, respectively, equal to the amount of the required contributions for each year.

In addition to the above, the Court remits \$38 of each filing fee collected by the Court into the Judicial Retirement Act plan as required by Section 10-12b-11 NMSA 1978. These fees are remitted directly to PERA and are not included within the accompanying financial statements. The Court remitted \$192,272 in filing fees for the year ending June 30, 2019.

GASB 68 – Financial Reporting and Disclosure for Single Employer Pension Plan (Judicial) by Employers. Compliant with the requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2017. The First Judicial District Court, as part of the primary government of the State of New Mexico, is a single employer defined benefit pension plan (Judicial Retirement) administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico. Information

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019

10. Pension Plan - Judicial Retirement Act (cont'd)

concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the

CAFR and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

11. Deferred Compensation

The State of New Mexico offers state, local government and school district employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all state employees and those local government and school district employees whose employers have elected participation in the plan, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

There are employees that are making contributions to the Deferred Compensation Plan. Neither the Court nor the State of New Mexico make any contributions to the Deferred Compensation Plan. All contributions withheld from participants by the First Judicial District Court have been paid to the New Mexico Public Employee's Retirement Association, which administers the plan.

12. Post-Employment Benefits - State Retiree Health Care Plan

Compliant with the requirements of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State of New Mexico has implemented this standard for the fiscal year ended June 30, 2019.

The Court, as part of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provides comprehensive group health insurance for persons who have retired from certain public service positions in New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico (Retiree Health Care Fund). Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net liability, benefit expense, and benefit related deferred inflows and deferred outflows of resources of the primary government will be contained in the CAFR for the year ended June 30, 2019 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

Contributions. Employer and employee contributions to the Retiree Health Care Fund (Fund) total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

12. Post-Employment Benefits - State Retiree Health Care Plan (cont'd)

employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund.

Contributions to the Fund by the Court were \$108,551 for the year ended June 30, 2019.

13. Risk Management and Litigation

The Court is insured through the Risk Management Division of the State of New Mexico, General Services Department. Coverage includes liability (general, automotive and civil rights), workers compensation, property, auto physical damage, and boiler & machinery. These coverages are designed to satisfy the requirements of the State Tort Claims Act. Coverage is provided for all employees of the Court for bonded losses up to \$2,000,000 with a \$2,500 deductible per claim by the State of New Mexico for the period July 1, 2018 through June 30, 2019.

There is a pending and threatened legal proceeding against the Court which is being covered by the policy with the Risk Management Division. At June 30, 2019, the Court had no claims which the Risk Management Division has determined would not be covered and which would become the responsibility of the Court.

14. Other Receivables

<u>Type of receivable</u>	<u>General Fund 14100</u>	<u>Mediation Special Revenue Fund 91700</u>	<u>Alternative Dispute Resolution Fund 87800</u>	<u>Drug Court Fees Fund 51600</u>	<u>Total Other Receivables</u>
Court fees - Agency funds	\$ 5,593	\$ 915	\$ 645	\$ 25	\$ 7,178
Payroll tax and benefit liabilities errors in SHARE - prior years	<u>25,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,692</u>
Total other receivables	<u>\$ 31,285</u>	<u>\$ 915</u>	<u>\$ 32,200</u>	<u>\$ 25</u>	<u>\$ 32,870</u>

15. Reversions to the State General Fund

Reversions to the State General Fund for FY 2019 resulted from unused State General Fund appropriations totaling \$6,131. Of the amount, \$6,054 was transferred to the State General Fund prior to September 30, 2019. The balance of \$77 is due to the State General Fund as of June 30, 2019.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

16. Specific and Supplemental Appropriations

During the year, the Court received capital outlay, special, supplemental and deficiency appropriations as described below:

Capital Outlay Appropriations:

Capital Outlay Appropriations Laws of 2019, SB 280, Chapter 277, Section 18: The First Judicial District Court was appropriated \$25,000 to purchase and install security systems, including an x-ray machine and a metal detector at the First Judicial District Court in Los Alamos in Los Alamos county; \$25,000 to purchase and install security equipment, including an x-ray machine and a metal detector at the First Judicial District Court in Tierra Amarilla in Rio Arriba county; \$60,000 to plan, design, construct, purchase, equip and install a security camera system for the First Judicial District Court complex in Santa Fe in Santa Fe county. As of June 30, 2019, \$110,000 remained unexpended. (See Statement of Revenue and Expenditures – Budget to Actual for fund 93100, Statement 6, page 4 of 5). The amounts were appropriated from the State General Fund to the First Judicial District Court for expenditure in fiscal years 2019 through 2023. The unexpended balance shall revert at the end of the fiscal year two year following the fiscal year in which the appropriation was made for the purchase.

Special Appropriations:

Special Appropriation Laws of 2019, Chapter 271, Section 5, Item 14: The First Judicial district court received \$65,000 to purchase recording licenses, equipment, installation, training and support in fiscal year 2019. The appropriation was from the State General Fund to the First Judicial District Court for expenditure in fiscal years 2019 and 2020. Any unexpended balances shall revert to the State General Fund at the end of fiscal year 2020. As of June 30, 2019, none of the funds had been expended and carried over to fiscal year 2020.

Supplemental Appropriations:

Supplemental Appropriation Laws of 2019, Chapter 271, Section 6, item 2: The First Judicial District Court was appropriated \$8,300 for shortfalls in the personal services and employee benefits expenditure category. The funding was ultimately not needed by the court and was declined by the Court.

Deficiency Appropriations:

Deficiency Appropriation Laws of 2019, Chapter 271, Section 6, Item 13 (Appropriated to the Department of Finance and Administration): The First Judicial district court received \$200 in fiscal year 2019 for prior-year deficit due to over-reversions to the State General Fund. Any unexpended balances shall revert at the end of fiscal year 2020. As of June 30, 2019, all balances have been expended or reverted.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to Financial Statements
June 30, 2019**

16. Specific and Supplemental Appropriations (cont'd)

Compensation Appropriations:

Compensation Appropriation Laws of 2018, Chapter 73, Section 8, Item A (2) (Appropriated to the Department of Finance and Administration): The First Judicial district court received \$238,000 in fiscal year 2019 to provide all judicial permanent employees with an average salary increase of two percent. As of June 30, 2019, all balances have been expended or reverted.

17. Subsequent GASB Pronouncements

November 2016 - GASB Statement 83, *Certain Asset Retirement Obligations*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The Court is still evaluating how this pronouncement will affect the financial statements.

January 2017 – GASB Statement 84, *Fiduciary Activities*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods after December 15, 2018. Earlier application is encouraged. The Court is still evaluating how this pronouncement will affect the financial statements.

June 2017 - GASB Statement 87, *Leases*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The Court is still evaluating how this pronouncement will affect the financial statements.

April 2018 - GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The Court is still evaluating how this pronouncement will affect the financial statements.

18. Subsequent Events Review

A review of subsequent events through October 26, 2019 revealed no subsequent events which require disclosure.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 FIRST JUDICIAL DISTRICT COURT
 Combining Balance Sheet
 General Fund - All Accounts
 June 30, 2019

	General Fund		Total General Fund
	Fund 14100 Court Regular Account	Fund 91800 Hearing Officer Account	
<u>Assets</u>			
Interest in the State Treasurer General Fund			
Investment Pool	\$ 421,676	\$ 183,631	\$ 605,307
Petty cash	850	-	850
Other receivables	31,285	-	31,285
	<u>453,811</u>	<u>183,631</u>	<u>637,442</u>
Total assets	\$ <u>453,811</u>	\$ <u>183,631</u>	\$ <u>637,442</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Vouchers payable	\$ 85,363	\$ 100	\$ 85,463
Accrued payroll	139,267	-	139,267
Payroll taxes payable	54,864	-	54,864
Payroll benefits payable	104,654	-	104,654
Due to State General Fund	77	-	77
Undistributed receipts	3,736	-	3,736
	<u>387,961</u>	<u>100</u>	<u>388,061</u>
Total liabilities	387,961	100	388,061
Fund Balance:			
Non-spendable	-	-	-
Restricted	-	183,531	183,531
Committed	65,000	-	65,000
Assigned	850	-	850
Unassigned	-	-	-
	<u>65,850</u>	<u>183,531</u>	<u>249,381</u>
Total fund balance	65,850	183,531	249,381
Total liabilities and fund balance	\$ <u>453,811</u>	\$ <u>183,631</u>	\$ <u>637,442</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
General Fund - All Accounts
Year Ended June 30, 2019

	General Fund		Total General Fund
	Fund 14100 Court Regular Acct.	Fund 91800 Hearing Officer Acct.	
Revenues:			
Federal grants - interagency	\$ -	\$ 256,548	\$ 256,548
Charges for services - interagency	301,381	-	301,381
Charges for services - court fees	66,221	-	66,221
Miscellaneous revenue	-	-	-
Total revenues	<u>367,602</u>	<u>256,548</u>	<u>624,150</u>
Expenditures:			
Current:			
Administrative Services	7,788,245	276,004	8,064,249
Capital outlay	18,349	-	18,349
Total expenditures	<u>7,806,594</u>	<u>276,004</u>	<u>8,082,598</u>
Excess (deficiency) of revenues over expenditures	<u>(7,438,992)</u>	<u>(19,456)</u>	<u>(7,458,448)</u>
Other financing sources:			
Transfer in:			
State general fund appropriation	7,181,800	-	7,181,800
Other state funds	328,446	-	328,446
Transfers out:			
Reversion to State General Fund	(6,131)	-	(6,131)
Total other financing sources (uses)	<u>7,504,115</u>	<u>-</u>	<u>7,504,115</u>
Net change in fund balances	65,123	(19,456)	45,667
Fund balance, beginning of year	727	202,987	203,714
Fund balance, end of year	<u>\$ 65,850</u>	<u>\$ 183,531</u>	<u>\$ 249,381</u>

The accompanying notes are an integral part of the financial statements

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
General Fund - Court Regular Account - (Fund 14100)
For the Year Ended June 30, 2019

General Fund - Court Regular Account - Fund 14100				
	Original Budget	Final Budget	Current Year Actual Budget Basis	Variance Favorable (Unfavorable)
Revenues:				
State appropriations	\$ 7,181,800	\$ 7,181,800	\$ 7,181,800	\$ -
Other financing sources - other state funds	323,200	323,200	328,446	5,246
Charges for services - interagency	306,600	306,600	301,381	(5,219)
Charges for services - court fees	70,000	70,000	66,221	(3,779)
Miscellaneous revenue	-	20,000	-	(20,000)
	7,881,600	7,901,600	\$ 7,877,848	\$ (23,752)
Total revenues				
Cash balance appropriated	-	-		
Total budgeted resources	\$ 7,881,600	\$ 7,901,600		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 7,049,800	\$ 6,996,800	\$ 6,976,117	\$ 20,683
Contractual services	455,800	424,500	420,281	4,219
Other costs (includes capital outlay)	376,000	480,300	410,196	70,104
	\$ 7,881,600	\$ 7,901,600	\$ 7,806,594	\$ 95,006
Total expenditures				
Reconciliation of GAAP basis to budgetary basis:				
		Revenues	Expenditures	
GAAP basis		\$ 7,877,848	\$ 7,086,594	
Adjustments: None		-	-	
Budgetary basis		\$ 7,877,848	\$ 7,086,594	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
General Fund - Hearing Officer Account (Fund 91800)
Year Ended June 30, 2019

General Fund - Hearing Officer Account - Fund 91800				
	Original Budget	Final Budget	Actual Budget Basis	Variance Favorable (Unfavorable)
Revenues:				
Federal contract - Interagency	\$ 256,500	\$ 256,500	\$ 256,548	\$ 48
Total revenues	256,500	256,500	\$ 256,548	\$ 48
Cash balance appropriated	19,800	19,800		
Total budgeted resources	\$ 276,300	\$ 276,300		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 266,300	\$ 274,500	\$ 274,232	\$ 268
Contractual services	-	-	-	-
Other costs	10,000	1,800	1,772	28
Total expenditures	\$ 276,300	\$ 276,300	\$ 276,004	\$ 296
Reconciliation of GAAP basis to budgetary basis:				
GAAP basis		\$ 256,548	\$ 276,004	
Adjustments: None		-	-	
Budgetary basis		\$ 256,548	\$ 276,004	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Total General Fund - Court Regular Account (Fund 14100) and Hearing Officer Account (Fund 91800)
Year Ended June 30, 2019

(To Exhibit G)

	Total General Fund			
	Court Regular (Fund 14100) and Hearing Officer (Fund 91800)			
	Original Budget	Final Budget	Actual Budget Basis	Variance Favorable (Unfavorable)
Revenues:				
State appropriations	\$ 7,181,800	\$ 7,181,800	\$ 7,181,800	\$ -
Federal contract - interagency	256,500	256,500	256,548	48
Other financing sources - other state funds	323,200	323,200	328,446	5,246
Charges for services - interagency	306,600	306,600	301,381	(5,219)
Charges for services - court fees	70,000	70,000	66,221	(3,779)
Miscellaneous revenue	-	20,000	-	(20,000)
	<u>8,138,100</u>	<u>8,158,100</u>	<u>\$ 8,134,396</u>	<u>\$ (23,704)</u>
Total revenues				
Cash balance appropriated	<u>19,800</u>	<u>19,800</u>		
Total budgeted resources	<u>\$ 8,157,900</u>	<u>\$ 8,177,900</u>		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 7,316,100	\$ 7,271,300	\$ 7,250,349	\$ 20,951
Contractual services	455,800	424,500	420,281	4,219
Other costs (includes capital outlay)	<u>386,000</u>	<u>482,100</u>	<u>411,968</u>	<u>70,132</u>
Total expenditures	<u>\$ 8,157,900</u>	<u>\$ 8,177,900</u>	<u>\$ 8,082,598</u>	<u>\$ 95,302</u>
Reconciliation of GAAP basis to budgetary basis:				
GAAP basis		<u>\$ 8,134,396</u>	<u>\$ 8,082,598</u>	
Adjustments: None		<u>-</u>	<u>-</u>	
Budgetary basis		<u>\$ 8,134,396</u>	<u>\$ 8,082,598</u>	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Balance Sheet
Other Non-Major Governmental Funds
June 30, 2019

	Special Revenue Funds					(Exhibit C)
	Fund 87800 Alternative Dispute Resolution	Fund 51600 Drug Court Fees	Fund 01600 Drug Court	Fund 12190 SESV & Mediation	Fund 93100 GF Capital Outlay	Total Other Governmental Funds
Assets						
Interest in the State Treasurer General						
Fund Investment Pool	\$ 214,821	\$ 8,539	\$ -	\$ 1,200	\$ 110,000	\$ 334,560
Other receivables	645	25	-	-	-	670
Total assets	<u>\$ 215,466</u>	<u>\$ 8,564</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 110,000</u>	<u>\$ 335,230</u>
Liabilities and Fund Balance						
Liabilities:						
Vouchers payable	\$ -	\$ -	\$ -	\$ 950	\$ -	\$ 950
Total liabilities	-	-	-	950	-	950
Fund balance:						
Non-spendable	-	-	-	-	-	-
Restricted	215,466	8,564	-	250	-	224,280
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	110,000	110,000
Unassigned	-	-	-	-	-	-
Total fund balance	<u>215,466</u>	<u>8,564</u>	<u>-</u>	<u>250</u>	<u>110,000</u>	<u>334,280</u>
Total liabilities and fund balance	<u>\$ 215,466</u>	<u>\$ 8,564</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 110,000</u>	<u>\$ 335,230</u>

The accompanying notes are an integral part of the financial statements

STATE OF NEW MEXICO
 FIRST JUDICIAL DISTRICT COURT
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Other Non-Major Governmental Funds
 Year Ended June 30, 2019

	Special Revenue Funds					(Exhibit E)
	Fund 87800 Alternative Dispute Resolution	Fund 51600 Drug Court Fees	Fund 01600 Drug Court	Fund 12190 SESV & Mediation	Fund 93100 GF Capital Outlay	Total Other Governmental Funds
Revenues:						
Federal grants - operating	\$ -	\$ -	\$ 4,202	\$ -	\$ -	\$ 4,202
Charges for services - other fees	63,996	1,355	-	9,866	-	75,217
Total revenues	<u>63,996</u>	<u>1,355</u>	<u>4,202</u>	<u>9,866</u>	<u>-</u>	<u>79,419</u>
Expenditures:						
Current:						
Administrative Services	22,804	1,200	4,202	9,616	-	37,822
Excess of revenues over expenditures	41,192	155	-	250	-	41,597
Other financing sources:						
Transfers in:						
State general fund appropriation	-	-	-	-	110,000	110,000
Net change in fund balance	41,192	155	-	250	110,000	151,597
Fund balance, beginning of year	174,274	8,409	-	-	-	182,683
Fund balance, end of year	<u>\$ 215,466</u>	<u>\$ 8,564</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 110,000</u>	<u>\$ 334,280</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
 FIRST JUDICIAL DISTRICT COURT
 Statement of Revenues and Expenditures
 Budget and Actual (Budgetary Basis)
 Non-Major Governmental Funds
 Year Ended June 30, 2019

	Alternative Dispute Resolution Special Revenue - Fund 87800			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:				
Charges for services - court fees	\$ 132,100	\$ 132,100	\$ 63,996	\$ (68,104)
Total revenues	\$ 132,100	\$ 132,100	\$ 63,996	\$ (68,104)
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 101,700	\$ 101,700	\$ 19,604	\$ 82,096
Contractual services	15,000	15,000	-	15,000
Other costs	15,400	15,400	3,200	12,200
Total expenditures	\$ 132,100	\$ 132,100	\$ 22,804	\$ 109,296
Reconciliation of GAAP basis to budgetary basis:				
		Revenues	Expenditures	
GAAP basis		\$ 63,996	\$ 22,804	
Adjustments: None.		-	-	
Budgetary basis		\$ 63,996	\$ 22,804	

Note: The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 FIRST JUDICIAL DISTRICT COURT
 Statement of Revenues and Expenditures
 Budget and Actual (Budgetary Basis)
 Non-Major Governmental Funds
 Year Ended June 30, 2019

Drug Court Fees Special Revenue - Fund 51600				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:				
Charges for services - court fees	\$ 5,000	\$ 5,000	\$ 1,355	\$ (3,645)
Total revenues	\$ 5,000	\$ 5,000	\$ 1,355	\$ (3,645)
Expenditures:				
Administrative services:				
Personal services & benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	5,000	5,000	1,200	3,800
Total expenditures	\$ 5,000	\$ 5,000	\$ 1,200	\$ 3,800
Reconciliation of GAAP basis to budgetary basis:				
		Revenues	Expenditures	
GAAP basis		\$ 1,355	\$ 1,200	
Adjustments: None.		-	-	
Budgetary basis		\$ 1,355	\$ 1,200	

Note: The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Non-Major Governmental Funds
Year Ended June 30, 2019

Drug Court Account Special Revenue - Fund 01600				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal grants	\$ -	\$ 21,576	\$ 4,202	\$ (17,374)
Total revenues	-	21,576	<u>\$ 4,202</u>	<u>\$ (17,374)</u>
Cash balance appropriated	-	-		
Total budgeted resources	<u>\$ -</u>	<u>\$ 21,576</u>		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ -	\$ -	\$ -	\$ -
Contractual services		13,885	4,202	9,683
Other costs		<u>7,691</u>	-	<u>7,691</u>
Total expenditures	<u>\$ -</u>	<u>\$ 21,576</u>	<u>\$ 4,202</u>	<u>\$ 17,374</u>
Reconciliation of GAAP basis to budgetary basis:				
GAAP basis		<u>\$ 4,202</u>	<u>\$ 4,202</u>	
Adjustments: None.		-	-	
Budgetary basis		<u>\$ 4,202</u>	<u>\$ 4,202</u>	

Note: The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 FIRST JUDICIAL DISTRICT COURT
 Statement of Revenues and Expenditures
 Budget and Actual (Budgetary Basis)
 Non-Major Governmental Funds
 For the Year Ended June 30, 2019

SGF Capital Outlay Special Revenue - Fund 93100				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:				
Other financing sources:				
State General Fund proceeds	\$ 110,000	\$ 110,000	\$ 110,000	\$ -
Total revenues	110,000	110,000	\$ 110,000	\$ -
Cash balance appropriated	-	-		
Total budgeted resources	\$ 110,000	\$ 110,000		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	110,000	110,000	-	110,000
Total expenditures	\$ 110,000	\$ 110,000	\$ -	\$ 110,000
Reconciliation of GAAP basis to budgetary basis:				
GAAP basis			\$ 110,000	\$ -
Adjustments: None.			-	-
Budgetary basis			\$ 110,000	\$ -

Note: The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Non-Major Governmental Funds
For the Year Ended June 30, 2019

SESV and Mediation Special Revenue - Fund 12190				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:				
Other financing sources:				
State General Fund proceeds	\$ -	\$ 10,000	\$ 9,866	\$ (134)
Total revenues	-	10,000	\$ 9,866	\$ (134)
Cash balance appropriated	-	-		
Total budgeted resources	\$ -	\$ 10,000		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	10,000	9,616	384
Other costs	-	-	-	-
Total expenditures	\$ -	\$ 10,000	\$ 9,616	\$ 384
Reconciliation of GAAP basis to budgetary basis:				
GAAP basis			\$ 9,866	\$ 9,616
Adjustments: None.			-	-
Budgetary basis			\$ 9,866	\$ 9,616

Note: The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2020 budget.

The accompanying notes are an integral part of these financial statements.

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Assets</u>				
Cash and cash equivalents:				
Court Clerk Accounts	\$ 5,944	\$ 1,069,618	\$ (1,070,241)	\$ 5,321
Bond and Litigant Accounts	<u>5,978,773</u>	<u>5,760,864</u>	<u>(3,921,761)</u>	<u>7,817,876</u>
 Total Assets	 <u>\$ 5,984,717</u>	 <u>\$ 6,830,482</u>	 <u>\$ (4,992,002)</u>	 <u>\$ 7,823,197</u>
 <u>Liabilities</u>				
Deposits Held for Others:				
First Judicial District Court:				
General Fund - Court Regular	\$ 1,558	\$ 68,728	\$ (70,286)	\$ -
Alternative Dispute Resolution	360	63,501	(63,216)	645
Drug Court Fees	-	1,330	(1,305)	25
Mediation	<u>461</u>	<u>151,222</u>	<u>(150,768)</u>	<u>915</u>
	<u>2,379</u>	<u>284,781</u>	<u>(285,575)</u>	<u>1,585</u>
External Parties:				
State General Fund	550	515	(550)	515
Other State Agencies	3,015	3,221	(3,015)	3,221
Litigants	<u>5,978,773</u>	<u>5,760,864</u>	<u>(3,921,761)</u>	<u>7,817,876</u>
	<u>5,982,338</u>	<u>5,764,600</u>	<u>(3,925,326)</u>	<u>7,821,612</u>
 Total Deposits Held for Others	 <u>5,984,717</u>	 <u>6,049,381</u>	 <u>(4,210,901)</u>	 <u>7,823,197</u>
 Total Liabilities	 <u>\$ 5,984,717</u>	 <u>\$ 6,049,381</u>	 <u>\$ (4,210,901)</u>	 <u>\$ 7,823,197</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 FIRST JUDICIAL DISTRICT COURT
 Schedule of Operating Transfers
 Year Ended June 30, 2019

	From SHARE Agency/Fund	To SHARE Agency/Fund	Account Number	Title	Transfer	
					In	Out
1	21800/13900	23100/14100	499905	Administrative Office of the Courts	\$ 90,296	\$
2	34100/62000	23100/14100	499905	Department of Finance and Administration	238,000	
3	34100/62000	23100/14100	499905	Department of Finance and Administration	200	
4	34101/85300	23100/14100	499105	Department of Finance and Administration	7,181,800	
5	34101/85300	23100/93100	499105	Department of Finance and Administration	110,000	
6	23100/14100	34101/85300	566100	Department of Finance and Administration		632
7	23100/14100	34101/85300	566100	Department of Finance and Administration		6,054
					<u>\$ 7,620,296</u>	<u>\$ 6,686</u>

- 1 Administrative Office of the Courts - Cass and Water appropriation - Fund 14100 - FY 2019
- 2 State General Fund compensation appropriation - Fund 14100 - FY 2019
- 3 State General Fund deficiency appropriation-prior year over reversion - Fund 14100 - FY 2019
- 4 State General Fund appropriation - Fund 14100 - FY 2019
- 5 State General Fund appropriation - Fund 93100 - FY 2019
- 6 State General Fund appropriation reversion - Fund 14100 - FY 2018
- 7 State General Fund appropriation - Fund 14100 - FY 2019

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Schedule of Deposits and Investments
June 30, 2019

	Type of Account	Fund No.	Balance per Depository	Reconciling Items		Reconciled Balance at June 30, 2019
				Outstanding Checks	Deposits in Transit	
<u>Governmental Funds</u>						
Interest in State General Fund						
Investment Pool:						
Court Regular - General Fund	Operating	14100	\$ 421,676	\$ -	\$ -	\$ 421,676
Child Support Hearing Officer - General Fund	Operating	91800	183,631	-	-	183,631
Drug Court - Special Revenue Fund	Operating	01600	-	-	-	-
SESV and Mediation - Special Revenue Fund	Operating	12190	1,200	-	-	1,200
Drug Court Fees - Special Revenue Fund	Operating	51600	8,539	-	-	8,539
Alternative Dispute Resolution - Special Revenue Fund	Operating	87800	214,821	-	-	214,821
Court Mediation - Special Revenue Fund	Operating	91700	156,117	-	-	156,117
GF Capital Outlay - Special Revenue Fund	Operating	93100	110,000	-	-	110,000
			1,095,984	-	-	1,095,984
Petty Cash	N/A		850	-	-	850
Total Governmental Funds			\$ 1,096,834	\$ -	\$ -	\$ 1,096,834
<u>Agency Funds</u>						
Litigant Accounts:						
Wells Fargo Bank (Bonds)	Checking		\$ 7,636,061	\$ 4,764	\$ (15,827)	\$ 7,624,998
NM Bank & Trust (Bonds)	Checking		121,353	-	(2,000)	119,353
			7,757,414	4,764	(17,827)	7,744,351
New Mexico Local Government						
Investment Pool	Interest		73,625	-	-	73,625
			7,831,039	4,764	(17,827)	7,817,976
Court Clerk Accounts:						
Wells Fargo Bank	Checking		-	-	-	-
NM Bank & Trust	Checking		4,102	1,363	(144)	5,321
			4,102	1,363	(144)	5,321
Total Agency Funds			\$ 7,835,141	\$ 6,127	\$ (17,971)	\$ 7,823,297
Total - All Funds			\$ 8,931,975	\$ 6,127	\$ (17,971)	\$ 8,920,131

The accompanying notes are an integral part of the financial statements.

OTHER REPORTS

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

Honorable Mary L. Marlowe Sommer, Chief Judge
First Judicial District Court
Santa Fe, New Mexico
and
Brian S. Colón, ESQ.
New Mexico State Auditor
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of the State of New Mexico - First Judicial District Court (Court), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and have issued our report thereon dated October 26, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Court'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 the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Court'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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
October 26, 2019

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Schedule of Findings and Responses
June 30, 2019**

SUMMARY OF AUDIT RESULTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

I. STATUS OF PRIOR-YEAR AUDIT FINDINGS

- a. Repeated in current-year
None.
- b. Resolved and not included in current-year
None.

II. CURRENT-YEAR AUDIT FINDINGS

None.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Financial Statement Preparation and
Exit Conference
June 30, 2019**

Financial Statement Preparation

Management of the Court is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles and that records are current and in balance. The financial statements and schedules presented in this report have been prepared by the independent auditor with the assistance of the Court. Management has reviewed and approved the financial statements and schedules.

Exit Conference

An exit conference was held on October 29, 2019, to discuss the results of the audit and the contents of this report. The following individuals were in attendance:

State of New Mexico - First Judicial District Court

Honorable Mary L. Marlowe Sommer, Chief Judge
Kathleen J. Vigil, Court Executive Officer and Chief Financial Officer
Nina T. Ulibarri, Financial Specialist Supervisor

Audit Firm – Robert J. Rivera, CPA, PC

Robert J. Rivera, CPA
William J. Valdes