

**State of New Mexico
Bernalillo County Metropolitan Court
Financial Statements
and Independent
Auditor's Report
June 30, 2018**



**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
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**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT**

Official Roster

June 30, 2018

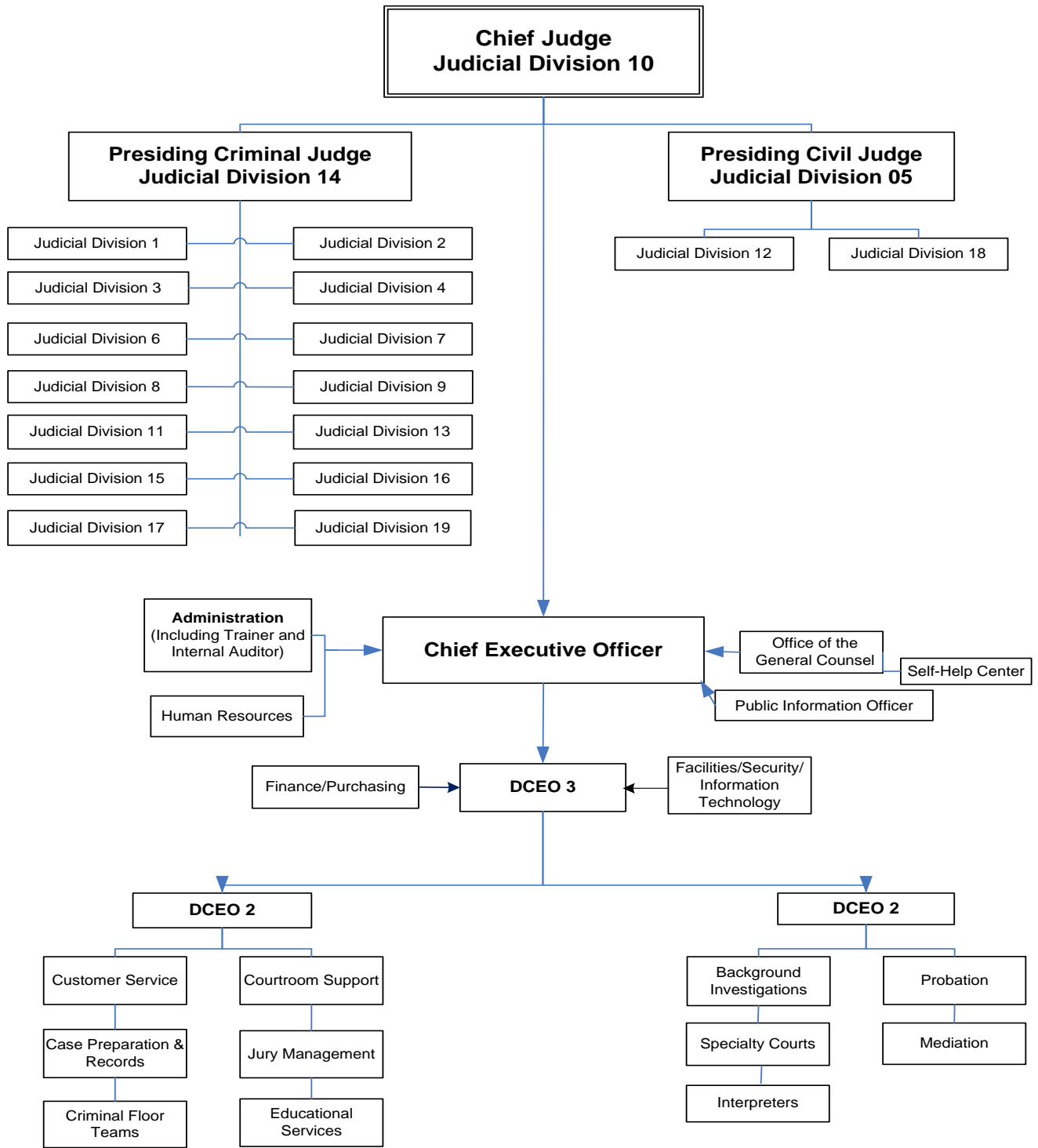
JUDGES

Name	Title
Honorable Edward L. Benavidez, Chief Judge	Division X
Honorable Victor E. Valdez	Division I
Honorable Christine E. Rodriquez	Division II
Honorable Renee Torres	Division III
Honorable Courtney B. Weeks	Division IV
Honorable Frank A. Sedillo	Division V
Honorable Maria I. Dominguez	Division VI
Honorable Rosemary Cosgrove-Aguilar	Division VII
Honorable Jill M. Martinez	Division VIII
Honorable Yvette K. Gonzales	Division IX
Honorable Sandra Engel	Division XI
Honorable Daniel E. Ramczyk	Division XII
Honorable Michelle Castillo Dowler	Division XIII
Honorable Vidalia Chavez	Division XIV
Honorable Kenny C. Montoya	Division XV
Honorable Sharon D. Walton	Division XVI
Honorable Henry A. Alaniz	Division XVII
Honorable Rosie Lazcano Allred	Division XVIII
Honorable Linda S. Rogers	Division XIX

ADMINISTRATIVE OFFICIALS

Robert L. Padilla	Court Executive Officer
Jonathan Ash	Deputy Court Executive Officer 3
Terese Hauge	Deputy Court Executive Officer 2
Rachael I. Monarch	Chief Financial Officer

Bernalillo County Metropolitan Court
Organizational Chart
June 30, 2018





Service plus value, it all adds up.

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INDEPENDENT AUDITOR'S REPORT

Mr. Wayne Johnson
New Mexico State Auditor
and
Honorable Edward L. Benavidez, Chief Judge
State of New Mexico
Bernalillo County Metropolitan Court

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the fiduciary funds, and the budgetary comparisons for the general fund and major funds of the State of New Mexico Bernalillo County Metropolitan Court (Court), as of and for the year ended June 30, 2018, 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 from material misstatement.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund of the State of New Mexico Bernalillo County Metropolitan Court as of June 30, 2018, and the respective changes in financial position, and the respective budgetary comparisons for the general and major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fiduciary fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements of the Court are intended to present the financial position and changes in financial position of only that portion of the governmental activities, the major fund and budgetary comparison of the State of New Mexico that is attributable to the transactions of the Court. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2018, and the changes in its financial position and budgetary comparison 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 4 to 15 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The accompanying combining statement of assets and liabilities - all agency funds and combining schedule of changes in assets and liabilities all agency funds, and schedule of memorandums of understanding are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining of changes in assets and liabilities - all agency funds, and the schedule of memorandums of understanding are the responsibility of management and were derived from and relates 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 information 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 a report dated October 24, 2018 on our consideration of the Court's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

Ricci & Company, LLC

Albuquerque, New Mexico
October 24, 2018

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT’S DISCUSSION ANALYSIS**

Overview

The purpose of the Bernalillo County Metropolitan Court’s (Court) Management’s Discussion and Analysis (“MD&A”) is to (a) assist the reader in focusing on significant issues related to the Court’s annual audit and operations, (b) provide an overview of the Court’s financial activity, (c) identify changes in the Court’s financial position, (d) identify any material deviations from its approved budget, and (e) identify fund issues, concerns and recent operational performance metrics.

Since the MD&A focuses on the current year’s activities and changes, it should be read in conjunction with the Court’s financial statements.

Court Case Management, Programs and Financial Highlights

The Bernalillo County Metropolitan Court was created by the New Mexico State Legislature in 1980 by Section 34-8A-14 NMSA 1978. It consolidated the functions of the Albuquerque Municipal Court, Bernalillo County Magistrate Court and Small Claims Court into a single court operation. It is the only Court of its kind in the state of New Mexico. The Court is one of limited jurisdiction which includes misdemeanor crimes that carry a maximum jail term of 364 days and fines of up to \$1,000 and civil cases where the amount of the dispute does not exceed \$10,000. It also conducts felony first appearance hearings and performs civil marriages. The Court was designated as a court of record in 1998 for domestic violence and DWI cases. That means on appeal, the defendant does not get a new trial, but the case record is reviewed by a District Court Judge to determine if legal error was made.

The Court has 19 Judges: 16 in the Criminal Division and three in the Civil Division. Unlike other courts of limited jurisdiction in New Mexico, all the Court's Judges are attorneys who are required to be members of the New Mexico State Bar and must have practiced law for a minimum of three years.

The nine-story, 248,294sf courthouse occupies 3.4 acres of grounds with its abutting 348,000sf multilevel parking facility. The parking facility provides space for approximately 900 vehicles, the DI/DWI Schools, Taxation and Revenue Motor Vehicle Department, state offices and a retail tenant.

Case Filings

As of June 30, 2018, the Court had a total of 69,457 new criminal and civil case filings. The total for each case type was 48,985 criminal cases and 20,472 civil cases.

Collections

The Court collected approximately \$4.6 million in fines and fees during the fiscal year, of which \$3.04 million was distributed to various state and local government agencies. The balance of collected funds, approximately \$.55 million (14.8%) was used by the Court’s Warrant Enforcement, Mediation, and In-House Screening funds in accordance to their statutory funding requirements.

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MANAGEMENT'S DISCUSSION ANALYSIS**

Bail Bond Postings

In FY18, 5,953 misdemeanor and felony cash, surety and property bail bonds totaling approximately \$2.6 million were posted at the Court. The Court transferred misdemeanor and felony cash, surety and property bail bonds totaling approximately \$2.0 million to counties throughout the state.

Capital Asset Activity

The Court experienced a decline of \$2,601,597 in the value of its capital assets in FY18. The decrease is almost entirely attributable to annual depreciation and amortization expense exceeding the year's capital asset additions. Additionally, the Court focused on deleting obsolete and broken equipment. A total of \$716,188 in deletions were processed.

Customer Service

Due to the nature of the work, staff of the Customer Service Division comes into contact with all areas of the Court. They handle criminal and civil case financial transactions, cash bonds, motion and pleading filings, the scheduling of educational programs, and information regarding community service. In FY18, the Division served 92,418 customers at register stations and answered 71,160 calls from customers through the phone bank.

Jury Division

With the implementation of the statewide Jury Management System in February 2017, greater automation has improved data maintenance and collection. This system can allocate pay credit to each juror on a daily basis and can calculate mileage from a juror's physical location to the courthouse. In FY18, 9,400 jury summons were distributed for jury duty at the Metropolitan Court. The division paid 4,186 jurors for jury duty, for a grand total of \$257,410.

Probation Division and Specialty Courts' Program Highlights

Standard Probation

The Probation Division is responsible for supervising defendants during both pre and post adjudication status. This unit consists of an Intake/Presentence Report Unit, the Pre-Trial Supervision Unit, Standard Probation Unit, DWI First Offender Unit, Outreach Court, and two Drug Testing Technicians. On October 1, 2017, this unit also assumed supervision of all felony Pre-Trial cases referred from Metropolitan Court felony arraignments. Through FY18, the Pre-Trial Supervision Unit provided supervision for approximately 401 misdemeanor defendants each month. The Probation Unit supervised approximately 197 defendants on Supervised Probation each month. In addition to conducting 2496 intakes for Pre-Trial Supervision, the Intake/Presentence Report Unit completed 201 Pre-sentence Reports. There were a total of 83 Fast Track cases (cases consisting of 90 days of supervised probation or less) that were also monitored by the Probation Division during this timeframe. The Drug Testing Technicians collected 12,146 urine specimens.

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Outreach Court (formerly known as Homeless Court)

Outreach Court is held monthly in the Metro Park Education Facility. This setting is designed to create a less intimidating environment for the participants to meet the Program Judge while addressing their misdemeanor warrant(s) and/or other referred cases. Through the coordination of Court staff, Outreach Court has five volunteer attorneys, (prosecutors and defense counsel) and two contracted treatment providers who assist the defendant through the process. Judge Kenny C. Montoya is the Presiding Judge for Outreach Court. A Program Manager maintains an office within the Metro Park Education Facility and holds office hours twice per week. Participants are able to bring their belongings with them and it serves as a "less formal" setting, making them overall more comfortable with reporting. During FY18, Outreach Court assisted over 130 participants with their court cases, some successfully achieving housing, employment, obtaining identification, treatment and/or a combination of these resources.

Courts to School Program

The Courts to School Program is a post-adjudication program designed to bring the courtroom experience into the school system by educating students on the procedures and realities of the criminal justice system. The program transforms an educational facility (gym, auditorium, and cafeteria) into a functioning courtroom, including the Judge, defense attorneys, prosecutors, defendants, clerks, police and probation officers. Students see first-hand the sentencing of a defendant who has pled guilty to DWI and has at least one prior DWI conviction. The defendant is required to give a five minute speech about what circumstances brought them before the court and the costs (emotional and monetary) their transgression has meant to them. In return the defendant is given eight hours credit towards community service. The defendant is booked in front of the students after their speech and transported to the Metropolitan Detention Center to complete a jail term that is at the discretion of the Judge presiding the sentencing. In FY18, the program held five sessions at area schools with eight defendants participating in the program.

DWI First Offender Program

The DWI First Offender Program supervises all defendants found guilty of a DWI First Offense. This unit monitors compliance of all statutory requirements for a DWI first offense, including attendance of the DWI School, the Mothers Against Drunk Driving Victim Impact Panel and community service. Additionally, the unit monitors all pending DWI cases for defendants that have been ordered to have an interlock in their car, but not ordered to Pre-Trial supervision. Collectively, six Probation Officers maintained a monthly average of 520 supervised probation cases, 228 unsupervised probation cases and monitored the installation of approximately 41 new ignition interlocks per month. Through FY18, this unit completed 722 First Offender Probation Intakes and the unit as a whole monitored 544 ignition interlocks. In FY18 the unit completed and presented in court 555 probation violation reports and submitted 309 memo's to their respective Judges regarding a defendant's compliance with interlock protocols or permission to use the medical cannabis card.

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Felony Pre-Trial Unit

On October 1, 2017, Metropolitan Court Probation Division began supervising all Felony Pre-Trial defendants referred from Metropolitan Court felony arraignments. Prior to October 1st, these defendants were referred to the Second Judicial District Court Pre-Trial Services. From October 1, 2017 through July 1, 2018, 2,921 defendants were referred to the Metro Pre-Trial Unit. Three Probation Officers have maintained an average of 115 cases each. During this period, 1,109 warrants were requested by the probation staff for defendants who failed to comply with supervision requirements. Additionally, 132 defendants referred to this unit were also required to be monitored by Global Positioning Systems (GPS). The defendants ordered to participate with GPS systems are monitored 7 days a week, 24 hours a day.

SPECIALTY COURTS

DWI Recovery Court

The DWI Recovery Court has been in existence since 1997. Within the program there are currently three tracks, which provide treatment and supervision to participants who have multiple DWI convictions. The current tracks include a high risk/high needs, low risk/high needs, and a track for those with co-occurring disorders. The DWI Recovery Court Program has been highly successful in reducing the recidivism rate among this population, while continuing to improve community safety by providing intensive treatment and education to the participants. During FY18 the DWI Recovery Court accepted 100 new participants and successfully graduated 84 participants.

Urban Native American Healing to Wellness Court

As an independent extension of the DWI Recovery Court Program, this court provides culturally specific treatment to participants within the Native American population in Bernalillo County. While in the program participants have the opportunity to reconnect with traditions within their community and culture, while receiving the treatment and education that will aide them in maintaining a life in recovery. During FY18 the Urban Native Healing to Wellness Court accepted 27 new participants and successfully graduated 22 participants.

Community Veterans Court (CVC)

CVC became an independent treatment court in May, 2016. This court is a voluntary, court-supervised, comprehensive program for misdemeanor offenses. Participation includes regular court appearances before the CVC Judge, alcohol and drug testing, and participation in individual and/or group counseling provided by the New Mexico Veterans Health Care System or other treatment providers. The participant is also encouraged to meet with a mentor, obtain and maintain employment, and participate in vocational, educational or community programs. The length of CVC is a minimum of six months in the Diversionary/DWI First Offender (Track 1) and a minimum of one year in the post-plea (Track 2). To be eligible the participant must have served or is actively serving in any branch of the U.S. Military or National Guard/Reserves have an identified treatment need, and be willing to comply with the CVC requirements. In FY18, there were 56 participants in the CVC Program, including 18 who successfully completed the

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Program. The CVC unit also supervises veterans who are placed on Pre-Trial Supervision (PTS). There are currently 25 veterans who are being supervised on PTS.

Competency Court

A defendant is eligible for Competency Court based on an indication that competency might be an issue. A forensic evaluator administers an evaluation and based on the outcome, the case is moved through the court docket. While under the Competency Docket, defendants may be supervised by one of the specialty court officers who work in The Behavioral Court Division. In FY18, there were 665 competency referrals with 249 evaluations.

Behavioral Health Court

The Behavioral Health Court, formerly referred to as Mental Health Court, is a team of probation officers that specialize in working with defendants that have a mental health disorder or have a co-occurring disorder. The defendants enter into a voluntary agreement to participate in this pre-adjudication program. The typical violations of law are domestic violence and criminal cases. This court has two tracks at this time: Track 1 is a six month diversionary program and Track 2 is a 12 month diversionary program. The amount of time they are required to participate in the program for is based on the charge that is filed and what the jurisdiction limitations are. Once the participant completes either track, their charges are dismissed. In FY18, there were approximately 50 participants in the program. Additionally, approximately 100 defendants were served in this unit under Pre-Trial supervision or supervised probation that did not enter the Behavioral Health Court program. In FY18, there were 22 graduates.

Behavioral Health DWI Court

The Behavioral Health DWI Court was created to serve those individuals charged with a DWI who also have a mental health illness. The Behavioral Health DWI Court program is voluntary, but it is a post-adjudication program for individuals that have had multiple DWI convictions. This program is at least 12 months in length. In this specialty court, all participants agree to urine testing, intense counseling and other program components. In FY18, there were approximately 50 participants in the program. In FY18, there were 33 graduates.

Domestic Violence Solutions, Treatment, and Education Program (DVSTEP)

The Domestic Violence Solutions Treatment Program (DVSTEP) is a court program which offers an alternative to incarceration to misdemeanor domestic violence repeat offenders who have had one or more prior convictions for domestic violence. A conviction via plea or trial is entered and the offender is placed in the one year program. Offenders are intensely supervised, seeing a probation officer, attending counseling two to three times per week and attending bi-monthly reviews with the Program Judge. Any violations are addressed immediately and can result in jail sanctions, community service, or termination from the program. Contracted counseling services are provided to offenders, victims, and children. Currently, offenders receive services at a counseling agency which is separate for victims and children. Offenders do not pay any fees for services as the therapy is paid for by the court. Victim and children services are also paid

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for entirely by the court. The program, during this fiscal year, served 20 new participants, terminated four, and graduated two clients. Currently there are 19 participants.

Domestic Violence Early Intervention Program (DVEIP)

The Domestic Violence Early Intervention Program (DVEIP) is a pre-adjudication program designed to address first-time misdemeanor domestic violence offenses with court supervision and treatment. The goal is to provide effective intervention to offenders who are willing to take responsibility for their behavior and make the necessary changes to prevent future domestic abuse and violence. The program is voluntary; however, the defendant must meet eligibility requirements. No services are provided for victims or children. However, victims are notified and interviewed during the intake process and are given information on where they may obtain services within the community. There are no court costs to participants. However, they must obtain and pay for counseling. The court does not contract with a specific counseling agency for treatment but does require treatment providers meet CYFD standards. Participants are strictly supervised and monitored for program compliance throughout the probation period which is a minimum of six months. Charges are dismissed if the program is successfully completed. The program served 57 new participants during this fiscal year which included graduating 65 clients and six terminations. Currently there are 28 clients in the program.

Pre-Adjudication Animal Welfare Court (PAW)

The Pre-adjudication Animal Welfare Court, referred to as P.A.W., was implemented in March of 2016. Eligibility for the Pre-Adjudication Animal Welfare program requires a qualifying charge, voluntary participation by the defendant, and a recommendation by the Court. Additional requirements for suitability and eligibility are reviewed by the program probation officer. Participants must agree to attend a specialized treatment known as Anicare which is a 16 week program. All P.A.W. participants are assessed for treatment for possible underlying issues such as mental health disorders or substance abuse. The programs duration is a minimum of 16 weeks and all participants are held accountable with supervision conditions through early court intervention, education, supervision, and judicial oversight. The programs goal is preventing and reducing incidents of animal abuse and neglect. Upon successful completion of the P.A.W. program, the defendant's case is dismissed by the Program Judge. The program, during the fiscal year, served five new clients, which included four graduations and one absconder. Currently there is one participant in the program.

Other Programs

Background Investigations Division (BI)

The Background Investigations Division continues to be the only division within the Court which is fully operational 24 hours per day, 7 days a week, including weekends and holidays. During FY18, Intake Officers interviewed a total of 12,742 defendants. The Background Investigators, who provide criminal history, community tie information, and public safety assessment levels to assist the judges with release/detention decisions,

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investigated and presented 3,920 misdemeanor criminal histories and 7,052 felony defendant histories in Court. Beside court presentations, the Investigators also provided 3,634 criminal histories on DV/DW bond arraignment cases and 3,567 criminal histories on in-custody defendants. In FY18, BI Case Initiation staff booked and updated 16,615 warrants and initiated 11,540 cases. In October 2017, the bonding area began new operational hours and closed the graveyard shift. The bonding area processes Misdemeanor, Felony, Out-of-County, and District Court bonds on both in-custody and out-of-custody cases. FY18 started the new bail reform. There are no longer jail house bonds for new charges and fewer monetary bonds are being posted. During FY18, 193 District Court bonds and 516 Out-of-County bonds were processed.

Community Service Program

The Community Service Program works with 120 public and non-profit agencies which are located in Albuquerque and in the majority of the counties throughout the State of New Mexico. These agencies work with the Court to provide opportunities for defendants to perform their court-ordered community service.

Mediation Division

The Court's highly regarded Mediation Division began serving the public in 1986. This Division significantly reduces the cost of adjudicating civil matters by offering mediation to litigants. Approximately 700 cases were settled which represents an 86% agreement rate. Cases are mediated by Court Mediation Staff as well as professionally trained mediators who volunteer their time. Volunteers provided approximately 1,000 hours of service pro bono to the Court. The Mediation Division also began an eviction mediation pilot program in order to determine if mediation can be helpful in eviction cases.

Self-Help Center

Since 2002, the Self-Help Center has been providing services such as procedural information, forms, and referrals to legal and community resources to self-represented litigants. Access to the judicial system is a vital service and is well-received by the public. In 2017, the court began hosting a monthly civil legal clinic to expand the Self-Help Center's resources. Litigants, who participate in the clinic, can meet with a volunteer attorney free of charge. The Self-Help Center is staffed by two paralegals, including one certified Justice System Language Access Specialist who can provide services in Spanish when needed. The Self-Help Center is also equipped with a video remote interpretation device, which can be used to facilitate signed language communications with deaf individuals and communications with other individuals in any language.

Financial Statements

Government-Wide Financial Statements

The government-wide financial statements, in their consolidation of all government activities into a single column, are designed to mimic corporate financial statements. The Statement of Net Position, like a corporate balance sheet, lists the Court's assets (both current and capital) as well as the Court's liabilities as of the end of the fiscal year.

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The Statement of Activities, like a corporate income statement, details the Court’s revenues for the fiscal year as well as the costs and expenses associated with earning that revenue.

The Government Activities reflect the Court’s basic service of collecting and optimizing revenues for its beneficiaries.

Fund Financial Statements

The Fund Financial Statements, whose focus is on major funds rather than fund types, presents a more familiar financial picture to users of government financial statements than do the government-wide statements.

The government major fund statement utilizes the typical manner in which the financial plan or budget is developed, i.e., on a “sources and uses of liquid resources” basis. The flow and availability of liquid resources is a clear and appropriate focus for an analysis of any governmental agency. Funds are established for various purposes and the financial statement demonstrates respective sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address Court funds. While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Accordingly, these particular assets are not presented as part of the Government-Wide Financial Statements.

Infrastructure Assets

The Court does not own any assets, e.g. roads and bridges that are classified as infrastructure assets.

Budgetary Comparisons

In addition to the MD&A, GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund. The budgetary comparison schedules should present both the original and the final appropriated budgets for the reporting period, as well as the actual inflows, outflows and balances, stated on the government’s budgetary basis.

The Statement of Revenues and Expenditures – Budget and Actual are also presented, pursuant to the requirements of the State Auditor and NMAC 2.2.2. The data therein demonstrates compliance at the approved budget level.

In FY18 the Court’s general fund operating budget increased by \$156,600 or 0.7% compared to the preceding fiscal year.

In comparison to FY17, the warrant fund revenue increased by \$14,078. Of that amount, \$7,255 was attributed to submission of cases to the Tax Refund Intercept Program. Due

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MANAGEMENT'S DISCUSSION ANALYSIS**

to an increase in civil fillings, the mediation revenue increased by \$8,950. In November of 2017, the Motor Vehicle Department re-located and was no longer leasing the retail space at Metro Park. This was a loss in lease revenue which attributed to some of the decrease in the parking revenue of \$77,764.

Government-Wide Financial Analysis

Statement of Net Position

	Government Activities FY 2017	Government Activities FY 2018	Total Percentage Change FY 17-18
Current assets	\$ 7,636,085	7,469,073	-2.2%
Capital assets less accumulated Depreciation	<u>51,155,304</u>	<u>48,553,707</u>	-5.1%
Total assets	<u>58,791,389</u>	<u>56,022,780</u>	-4.7%
Liabilities	<u>27,415,688</u>	<u>24,752,143</u>	-9.7%
Net Position			
Net investment in capital assets	25,830,304	25,828,707	-10.1%
Restricted	6,296,035	6,159,749	-2.2%
Unrestricted (deficit)	<u>(750,638)</u>	<u>(717,819)</u>	-350.7%
Total net position	<u>\$ 31,375,701</u>	<u>\$31,270,637</u>	-0.3%

Capital assets, net of accumulated depreciation, decreased by \$2,601,597. The net investment in capital assets increased by \$48,954 and was primarily in equipment. It was more than offset by \$2,834,469 of depreciation expense during the same period.

As of the fiscal year ending June 30, 2018, the Court is demonstrating the long-term debt of the revenue bonds administered by the New Mexico Finance Authority in the amount of \$27,496,250 bearing interest at a rate of 5.0827% for the Bernalillo County Metropolitan Court and abutting parking structure.

The Court's liability for unpaid compensated absences decreased to \$805,073 during the year ended June 30, 2018, primarily as a result of the use and payout of the compensated leave throughout the fiscal year.

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MANAGEMENT'S DISCUSSION ANALYSIS**

Statement of Activities

The following schedule presents the revenues and expenses for fiscal years 2017 and 2018:

	Government Activities FY 2017	Government Activities FY 2018	Total Percentage Change FY 17-18
Expenses			
Judicial	\$ (29,985,553)	(29,816,933)	-0.6%
Program revenues	6,263,585	6,261,382	0.0%
Net (expenses) revenues	<u>(23,721,968)</u>	<u>(23,555,551)</u>	-0.7%
General revenues and (expenses)			
General fund appropriation	22,855,200	23,011,800	0.7%
Transfer of capital assets from AOC	73,234	0	-100.0%
AOC Drug & Mental Health Court	324,433	267,380	-17.6%
Reversions to General Fund Fy 2018	<u>(17,322)</u>	<u>(9,586)</u>	-44.7%
Total general revenues and transfers	<u>23,235,545</u>	<u>23,269,594</u>	0.1%
Change in net position	(486,423)	(105,064)	-78.4%
Net position, beginning	<u>31,862,124</u>	<u>31,375,701</u>	-1.5%
Net position, ending	<u>\$ 31,375,701</u>	<u>31,270,637</u>	-0.3%

The following schedule presents the final budget for fund 15400 which includes the general fund appropriation and non-federal fund grant awards.

	Final Budget	Actual Expenditures	Favorable Variance
\$	20,025,042	19,961,922	63,120
	2,119,960	2,095,492	24,468
	2,451,402	2,419,670	31,732
\$	<u>24,596,404</u>	<u>24,477,084</u>	<u>119,320</u>

The Court reverted \$8,462 from unexpended funds in the General Fund. Additionally, the Court reverted \$1,124 of In-House Screening Fee. The total reverted was \$9,586.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION ANALYSIS**

The Court's Funds

Government Funds

As of June 30, 2018, the government funds (as presented on the balance sheet) reported a restricted fund balance of \$572,346, of which \$364,309 relates to the Warrant Enforcement Fund, \$35,673 to the Parking Facility Fund, and \$172,364 to the Mediation Fund. These fund balances are set aside for future expenditures in the respective areas and may be appropriated in the future. There is an \$87,254 committed balance from a special appropriation for capital improvements on the 4th floor.

Budgetary Highlights

The Bernalillo County Metropolitan Court was appropriated \$23,011,800 of general fund within the Laws of the 2017, Regular Session, Chapter 135, Section 4.

In FY18, the Court was awarded \$293,500 from the Administrative Office of the Courts /Drug Court Advisory Committee through a memorandum of understanding. The DWI-Drug Court program expended \$211,391 which assisted in the treatment and counseling services to alcohol and drug dependent DWI offenders. The Mental Health Court expended \$55,989 which supported and provided treatment, counseling, and ancillary services to offenders whose mental health issues lead them to repeated contact with the criminal justice system.

The Court received approval for the continuation of two federal grants. The Substance Abuse and Mental Health Administration (SAMHSA) which had a budget of \$57,300, and the Bureau of Justice Assistance (BJA) which had a budget of \$74,100. The savings from these two respective awards from the three previous federal fiscal years supported the continued efforts of the grant. The grants expired on September 30th of 2017.

In October of 2016, the Court received two additional federal grant awards to utilize through September 30th of 2019. The SAMHSA and BJA awards will continue to enhance the specialty court programs with staff and clinical services. In FY18, the SAMHSA grant award was \$288,700, and the BJA award was \$167,200.

In FY18, the Court received a federal sub-grant: Violence Against Women Act (VAWA) in the amount of \$8,115. The objective was for training and travel of Judges and probation staff to understand the strategies in cases involving violent crimes against women.

In FY17 the Court received \$190,000 from the City of Albuquerque to help reduce the recidivism rates and promote sustained recovery for people who are experiencing homelessness and that have pending court cases in the Metropolitan Court. The funding expired as of December 2017.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION ANALYSIS**

Anticipated Changes

The Court's General Fund budget for FY19 is an increase of \$913,700, or 3.97%, compared to the FY18 General Fund budget.

The Court received funding to support the Work Improvement Plan (WIP) as well as targeted increases that will continue with the 3 year, 6 year, 10 year, and 15 year compensation range movement for staff. In accordance with Section 8 of the GAA, \$268,700 was budgeted to provide compensation increases (2%), and \$459,200 for targeted increases. This funding helps the Court remain competitive with the workforce.

The Court received \$328,549 of supplemental funding from the Judiciary's Drug Court Advisory Committee. The Court's DWI Recovery Court program will budget \$228,549 to assist in the treatment and counseling services to alcohol and drug dependent DWI offenders. The Mental Health Court will receive \$100,000 to support the Mental Health Specialty Court that provides treatment, counseling, and appropriate ancillary services to offenders whose mental health issues lead them to repeated contact with the criminal justice system.

A federal fund pass-through grant with the Traffic Safety Bureau for the DWI First Offender Program is negotiated annually. In FY19, the Court budgeted \$135,000. The grant award funds the personal services and employee benefits for two probation officers that are an expansion to the seven general fund program staff.

The Court received a new federal grant award that will begin September 30th, of 2018. The Substance Abuse and Mental Health Administration (SAMHSA) grant is to assist the specialty court programs with staff and clinical services. This grant will expire on September 30th, 2023.

The Court received \$1million in funding from severance tax bonds to complete the 4th floor courtroom and judges' chamber. This funding helped to plan, design, construct, furnish, and equip courtrooms, judges' chambers, jury rooms, and public and restricted access areas on the 4th floor of the Bernalillo County Metropolitan Courthouse. The project will be completed in FY19.

Financial Contact

The Court's financial statements are designed to present users with the general overview of the Court's finances and to demonstrate the Court's accountability. If you have questions about the report or need additional financial information, contact the Court's Chief Financial Officer at P.O. Box 133, Albuquerque, New Mexico 87103.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF NET POSITION
GOVERNMENT WIDE
June 30, 2018**

	Governmental Activities
ASSETS	
Current Assets	
Petty cash	\$ 4,475
Interest in State Treasurer General Fund Investment Pool	1,604,639
Accounts receivable, net	34,800
Grants receivable	22,415
Due from Local Governments	215,341
Restricted Cash	5,587,403
Total current assets	<u>7,469,073</u>
Capital Assets	
Capital Assets not being depreciated	6,837,113
Capital assets being depreciated	41,716,594
Total capital assets, net of accumulated depreciation	<u>48,553,707</u>
Total assets	<u>\$ 56,022,780</u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 434,784
Accrued payroll and related taxes	783,886
Deposits held for others	1,035
Other Current Liabilities	168
Due to State Treasurer General Fund Investment Pool	2,197
Current Position Revenue Bond Debt	2,780,000
Compensated absences payable	733,093
Total current liabilities	<u>4,735,163</u>
Long-term liabilities	
Long-term portion of compensated absences payable	71,980
Long-term portion of revenue bond debt	19,945,000
Total long-term liabilities	<u>20,016,980</u>
Total liabilities	<u>24,752,143</u>
NET POSITION	
Net investment in capital assets	25,828,707
Restricted debt-service fund	5,587,403
Restricted-special revenue funds	572,346
Unrestricted (deficit)	(717,819)
Total net position	<u>\$ 31,270,637</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF ACTIVITIES
GOVERNMENT WIDE
For the Year Ended June 30, 2018**

		<u>Programs Revenues</u>		Net (Expenses) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES				
Judicial	\$ 28,410,309	3,680,510	1,337,874	(23,659,305)
Preventative programs	108,021	-	108,021	-
Warrant Enforcement	347,617	422,619		75,002
Parking facility operations	423,615	440,536	-	16,921
Mediation	89,294	101,125	-	11,831
Federal	438,077	-	438,077	-
Total governmental activities	\$ 29,816,933	4,644,790	1,616,592	(23,555,551)
GENERAL REVENUES AND TRANSFERS				
State General Fund appropriation				23,011,800
Severance Tax Bonds - Capital				180,893
Reversion to State General Fund - FY 2018				(9,586)
Total general revenue				23,450,487
Change in net position				(105,064)
Net position, beginning				31,375,701
Net position, ending				\$ 31,270,637

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	Court Regular General Fund Fund 15400	Warrant Enforcement Fund 69300	Parking Facility Fund 72900	Mediation Fund 93000	Federal Fund 20560	Severance Tax Bond Fund 89200	Debt Service Fund 50540	Total Governmental Funds
ASSETS								
Current Assets								
Petty cash	\$ 4,475	-	-	-	-	-	-	\$ 4,475
Interest in State General Fund Investment Pool	954,489	372,878	56,398	171,054	-	49,820	-	1,604,639
Accounts receivable, net	1,899	12,002	18,734	2,165	-	-	-	34,800
Grants Receivable	-	-	-	-	22,415	-	-	22,415
Due from local governments	215,341	-	-	-	-	-	-	215,341
Restricted Cash	-	-	-	-	-	-	5,587,403	5,587,403
Total assets	\$ 1,176,204	384,880	75,132	173,219	22,415	49,820	5,587,403	\$ 7,469,073
LIABILITIES								
Current Liabilities								
Accounts payable	\$ 321,239	7,940	38,424	855	16,506	49,820	-	\$ 434,784
Accrued payroll and related taxes	767,543	12,631	-	-	3,712	-	-	783,886
Deposits held for others	-	-	1,035	-	-	-	-	1,035
Due to State General Fund Investment Pool	-	-	-	-	2,197	-	-	2,197
Other Current Liabilities	168	-	-	-	-	-	-	168
Total liabilities	1,088,950	20,571	39,459	855	22,415	49,820	-	1,222,070
FUND BALANCES								
Nonspendable	4,475	-	-	-	-	-	-	4,475
Restricted	-	364,309	35,673	172,364	-	-	5,587,403	6,159,749
Committed--special appropriation	87,254	-	-	-	-	-	-	87,254
Unassigned	(4,475)	-	-	-	-	-	-	(4,475)
Total fund balances	87,254	364,309	35,673	172,364	-	-	5,587,403	6,247,003
Total liabilities and fund balances	\$ 1,176,204	384,880	75,132	173,219	22,415	49,820	5,587,403	\$ 7,469,073

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2018**

Total fund balances - governmental funds \$ 6,247,003

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

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. These assets consist of:

Construction in Progress	\$ 196,635	
Land	6,640,478	
Machinery and equipment	2,009,892	
Building, land and parking facility	78,608,141	
Accumulated depreciation	<u>(38,901,439)</u>	
Total capital assets, net of accumulated depreciation		48,553,707

Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Revenue Bond Debt with NMFA	(22,725,000)
Compensated absences payable	<u>(805,073)</u>

Net position of governmental activities \$ 31,270,637

See Notes to Financial Statements.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	Court Regular General Fund Fund 15400	Warrant Enforcement Fund 69300	Parking Facility Fund 72900	Mediation Fund 93000	Federal Fund 20560	Severance Tax Bond Fund 89200	Debt Service Fund 50540	Total Governmental Funds
Revenues								
Fines and fees	\$ 28,975	422,619	440,536	101,125	-	-	3,651,535	\$ 4,644,790
AOC Drug Court Reimbursement	267,380	-	-	-	-	-	-	267,380
Grants and contracts	1,178,515	-	-	-	438,077	-	-	1,616,592
Total revenues	1,474,870	422,619	440,536	101,125	438,077	-	3,651,535	6,2528,762
Expenditures general governmental - judiciary								
Current								
Personal services	14,184,244	210,360	-	53,395	109,152	-	-	14,557,151
Employee benefits	5,777,678	95,740	-	25,463	37,778	-	-	5,936,659
In-state travel	9,331	-	-	-	85	-	-	9,416
Maintenance and repairs	811,411	3,084	34,738	2,133	-	-	-	851,366
Supplies and materials	406,166	-	-	815	9,868	-	-	416,849
Contractual services	2,095,492	17,878	292,229	-	213,017	-	-	2,618,616
Operating costs	1,078,939	20,030	95,523	7,488	20,937	-	-	1,222,917
Other costs	14,759	525	1,125	-	8,105	-	25,325	49,839
Out of state travel	50,506	-	-	-	39,135	-	-	89,641
Capital outlay	51,979	-	-	-	-	180,893	-	232,872
Debt Service	-	-	-	-	-	-	3,866,250	3,866,250
Total expenditures	24,480,505	347,617	423,615	89,294	438,077	180,893	3,891,575	29,851,576
Excess (deficiency) of revenues over expenditures	(23,273,015)	75,002	16,921	11,831	-	(180,893)	(240,040)	(23,590,194)
Other financing sources (uses)								
State General Fund appropriation	23,011,800	-	-	-	-	-	-	23,011,800
Severance Tax Bond Proceeds	-	-	-	-	-	180,893	-	180,893
Reversion to State General Fund - FY 2019	(9,586)	-	-	-	-	-	-	(9,586)
Total other financing sources (uses)	23,269,594	-	-	-	-	180,893	-	23,450,487
Net change in fund balances	(3,421)	75,002	16,921	11,831	-	-	(240,040)	(139,707)
Fund balances, beginning	90,675	289,307	18,752	160,533	-	-	5,827,443	6,386,710
Fund balances, ending	\$ 87,254	364,309	35,673	172,364	-	-	5,587,403	\$ 6,247,003

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENT FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

Net change in fund balances (Statement of Revenues, Expenditures
and Changes in Fund Balances) \$ (139,707)

Amounts reported for governmental activities in the
Statement of Activities are different for the year ended
June 30, 2018 because:

In the Statement of Activities, certain operations expenses,
compensated absences payable, are measured by
the amounts earned during the year. In the Governmental
Funds, however, expenditures are measured by the
amount of financial resources used (essentially the amounts
actually paid). The decrease in the liability for the year was: 36,240

Long-term Revenue Bond Debt NMFA - principal payments 2,600,000

The Governmental Funds report capital outlays as expenditures.
However, in the Statement of Net Position the cost of capital
assets is allocated over their estimated useful lives and
reported as depreciation expense. In the current year, these
amounts were:

Capital outlay expenditures which were capitalized	\$ 232,872	
Depreciation	(2,834,469)	
		<u>(2,601,597)</u>
Excess of depreciation over capital outlay		
Change in net position of government activities (Statement of Activities)		<u>\$ (105,064)</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR BUDGETED FUNDS
For the Year Ended June 30, 2018

	General Fund (SHARE 15400)			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
General Appropriation				
Revenue				
Charges for services	\$ 46,000	46,000	28,975	\$ (17,025)
Grants	135,000	143,155	89,250	(53,905)
Other	1,546,200	1,395,449	1,356,645	(38,804)
Total revenue	1,727,200	1,584,604	1,474,870	(109,734)
Expenditures				
Personal services/employee benefits	19,667,600	20,025,042	19,961,922	63,120
Contractual services	2,271,600	2,119,960	2,095,492	24,468
Other costs	2,747,821	2,399,423	2,367,691	31,732
Capital Outlay	51,979	51,979	51,979	-
Total expenditures	24,739,000	24,596,404	24,477,084	119,320
Excess (deficiency) of revenues over expenditures	(23,011,800)	(23,011,800)	(23,002,214)	9,586
Other financing sources (uses)				
State General Fund appropriation	23,011,800	23,011,800	23,011,800	-
Reversions	-	-	(9,586)	(9,586)
Total other financing sources (uses)	23,011,800	23,011,800	23,002,214	(9,586)
Net change in fund balance	\$ -	-	-	\$ -
Special appropriations--multi year				
Corridor access improvement A151071				
Revenue	\$ 90,675	90,675	-	\$ (90,675)
Expenditures	90,675	90,675	3,421	87,254
Net change in fund balance	-	-	(3,421)	(3,421)
Net change in fund balance	\$ -	-	(3,421)	\$ (3,421)

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2018**

	Federal Fund (SHARE 20560)			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue				
Grants	\$ 587,300	549,707	438,077	\$ (111,630)
Other	-	-	-	-
Total revenue	587,300	549,707	438,077	(111,630)
Expenditures				
Current				
Personal services/employee benefits	196,000	178,189	146,930	31,259
Contractual services	344,800	264,984	213,017	51,967
Other costs	46,500	106,534	78,130	28,404
Total expenditures	587,300	549,707	438,077	111,630
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
State General Fund appropriation	-	-	-	-
Transfer to Court Facilities Fund	-	-	-	-
Other financing issues	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Cash balance required to balance budget	-	-	-	-
Net change in fund balance	\$ -	-	-	\$ -

See Notes to Financial Statements.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2018

	Warrant Enforcement Fund (SHARE 69300)			
	Revenue Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenue				
Charges for services	\$ 440,000	440,000	422,619	\$ (17,381)
Total revenue	440,000	440,000	422,619	(17,381)
Expenditures				
Current				
Personal services/employee benefits	422,200	422,200	306,100	116,100
Contractual services	36,000	36,000	17,878	18,122
Other costs	29,200	29,200	23,639	5,561
Total expenditures	487,400	487,400	347,617	139,783
Excess (deficiency) of revenues over expenditures	(47,400)	(47,400)	75,002	122,402
Other financing sources (uses)				
State General Fund appropriation	-	-	-	-
Transfer to Court Facilities Fund	-	-	-	-
Other financing issues	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Budgeted from fund balance	47,400	47,400	-	(47,400)
Net change in fund balance	\$ -	-	75,002	\$ 75,002

See Notes to Financial Statements.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR BUDGETED FUNDS
For the Year Ended June 30, 2018

	Parking Facility Fund (SHARE 72900)			
	Revenue Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenue				
Charges for services	\$ 512,300	512,300	440,536	\$ (71,764)
Total revenue	<u>512,300</u>	<u>512,300</u>	<u>440,536</u>	<u>(71,764)</u>
Expenditures				
Current				
Contractual services	375,300	375,300	292,229	83,071
Other costs	145,800	145,800	131,386	14,414
Total expenditures	<u>521,100</u>	<u>521,100</u>	<u>423,615</u>	<u>97,485</u>
Excess (deficiency) of revenues over expenditures	<u>(8,800)</u>	<u>(8,800)</u>	<u>16,921</u>	<u>25,721</u>
Other financing sources (uses)				
Transfer to Court Facilities Fund	(5,000)	(5,000)	-	5,000
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Budgeted from fund balance	<u>13,800</u>	<u>13,800</u>	<u>-</u>	<u>(13,800)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>16,921</u>	<u>\$ 16,921</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND
ACTUAL (BUDGETARY BASIS) MAJOR BUDGETED FUNDS
For the Year Ended June 30, 2018**

STB Capital Outlay Fund (89200)							Variance
	Original Budget	Final Budget	Prior Year Actual	Current Year Actual	Total Since Inception	Favorable (Unfavorable)	
Revenues							
Severance Tax Bonds	\$ 492,525	492,525	-	180,893	180,893	(311,632)	
Expenditures							
Contractual services	75,250	75,250	-	72,240	72,240	3,010	
Other costs	417,275	417,275	-	108,653	108,653	308,622	
Total expenditures	<u>492,525</u>	<u>492,525</u>	<u>-</u>	<u>180,893</u>	<u>180,893</u>	<u>311,632</u>	
Excess of revenues and other financing sources over expenditures and other financing uses				-			
Fund Balance Beginning				<u>-</u>			
Fund Balance Carryforward				<u>-</u>			

Appropriation Period	Short Title	Approved Budget	Prior Years	Current Year	Outstanding Encumbrances	Unexpended/ Unencumbered Balance
FY2017	Courtroom 420 & Chambers	492,525	-	180,893	311,632	-

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2018**

	Mediation Fund (SHARE 93000)			Variance Favorable (Unfavorable)
	Original Budget	Approved Revised Budget	Actual	
Revenue				
Charges for services	\$ 82,000	82,000	101,125	\$ 19,125
Total revenue	82,000	82,000	101,125	19,125
Expenditures				
Current				
Personal services/employee benefits	107,000	107,000	78,858	28,142
Contractual services	4,200	4,200	-	4,200
Other costs	20,000	20,000	10,436	9,564
Total expenditures	131,200	131,200	89,294	41,906
Excess (deficiency) of revenues over expenditures	(49,200)	(49,200)	11,831	61,031
Other financing sources (uses)				
State General Fund appropriation	-	-	-	-
Transfer to Court Facilities Fund	-	-	-	-
Other financing issues	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Budgeted from fund balance	49,200	49,200	-	(49,200)
Net change in fund balance	\$ -	-	11,831	\$ 11,831

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF ASSETS AND LIBILITIES - AGENCY FUNDS
June 30, 2018**

	Agency Funds
ASSETS	
Cash on deposit in banks	\$ 299,883
	<hr/>
Total assets	\$ 299,883
	<hr/> <hr/>
LIABILITIES	
Deposits held for others	\$ 299,883
	<hr/>
Total liabilities	\$ 299,883
	<hr/> <hr/>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Bernalillo County Metropolitan Court (Court) was established by laws of 1979, Chapter 346, Section 13, and effective July 1, 1980. It is a state Metropolitan Court with jurisdiction enumerated in Section 34-8A-1 through 34-8A-13, NMSA, 1978 Compilation. The Judges of the Court appoint a Court Executive Officer who is responsible to the Chief Judge. The Court is an agency of the Judicial Division of state government.

A. Financial Reporting Entity

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units in the reporting entity by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Applying this criteria, there are no component units.

B. Basic Financial Statements

The basic financial statements include both government-wide (based on the Court as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. The Court has no business type activities. In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reflected on the full accrual, economic resource basis, which incorporates long term assets, and receivable as well as long-term liabilities and obligations. These statements include the financial activities of the overall government, except for fiduciary activities.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which is otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues, operating and contributions and capital grants and contributions. Eliminations are made to remove the "doubling-up" effect of activity between funds. The Court includes all operating grants and contributions. The program revenues must be directly associated with the function. The Court includes only two functions (judicial services and parking revenue).

The net cost by function is normally covered by general revenue. Historically, the previous model did not summarize or present net cost by function or activity. Since the Court only has one program, it does not employ indirect cost allocation in the financial statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements (Continued)

This government-wide focus is more on the sustainability of the Court as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. When an expense is incurred for purposes which both restricted and unrestricted net positions are available, the Court uses restricted resources then unrestricted resources. Program revenues include charges for services such as court fines and fees and operating grants related to specific program activities. As to fund financial statements, emphasis is on the major funds of the governmental category.

The governmental funds in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed more appropriate to demonstrate legal and covenant compliance, to demonstrate the source and use of liquid resources and to demonstrate how the Courts' 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 statements governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The Courts' fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party or specific purpose and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The focus is on the Court as a whole and the fund financial statements, including the major individual funds of the governmental category, as well as the fiduciary funds by type.

D. Basis of Presentation

The financial transactions of the Court are recorded in individual funds, 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 balance, revenues, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The new model sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the governmental and enterprise combines) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation (Continued)

The following fund types are used by the Court:

GOVERNMENTAL FUND TYPES

All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Due to its spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

General Fund - The General Fund is the general operating fund of the Court. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is funded primarily by appropriations from the State of New Mexico General Fund. This Fund is reverting. SHARE Fund number is 15400.

Debt Service Fund - The debt service fund is recording all entries related to the long-term liability of the Court's revenue bonds. This Fund is SHARE number 50540. This is a non-reverting fund.

Special Revenue Fund - The Federal Fund is the direct federal grant appropriation operating fund of the Court. It is used to account for all Bureau of Justice and Substance Abuse & Mental Health Services Administration financial awards. This Fund is SHARE number 20560. This is a non-reverting fund.

Special Revenue Fund - The Warrant Enforcement Fund accounts for fees assessed which are appropriated for the primary purpose of employing personnel and purchasing equipment and services to aid in the collection of fines, fees or costs owed to the Court pursuant to Section 34-8A-12, NMSA 1978 Compilation. This fund is included as a major fund at management's discretion. This Fund is non-reverting. This Fund is SHARE number 69300. This is a non-reverting fund.

Special Revenue Fund - The Metropolitan Parking Facilities Fund administers and manages the Metropolitan Parking Facility adjacent to the Bernalillo County Metropolitan Court in Albuquerque, New Mexico, pursuant to NM State Statute Section 34-8A-14, NMSA 1978 Compilation. This fund is included as a major fund at management's discretion. This Fund is non-reverting. This Fund is SHARE number 72900.

STB Capital Outlay - The Fund accounts for the capital outlay appropriation that the court received with the sale of severance tax bonds. The appropriation is for the design and construction of an additional courtroom, judicial chambers, jury deliberation area, and holding cell. The NM Board of Finance utilizes this fund for all authorized projects and the court received reimbursement requests based on actual expenses. The Fund is SHARE number 89200. This is a non-reverting fund.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Fund – The Mediation Fund accounts for monies on deposit with the NM State Treasurer that are appropriated by the NM State Legislature and are received from the collection of a \$5 mediation fee on all civil filings “for the purpose of funding and administering voluntary mediation programs established by Court rule for the efficient disposition of small claims and specified criminal complaints”, pursuant to NM State Statute Section 34-8A-10, NMSA 1978 Compilation. This fund is included as a major fund at management’s discretion. This Fund is non-reverting. The Fund is SHARE number 93000.

AGENCY FUNDS

Fiduciary Funds (Agency Funds) are used to account for funds that are disbursed to the State of New Mexico General Fund or directly to state agencies as per state statute. The Court has no budgetary control over these funds and acts solely as an agent. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

There are several Inactive Funds that are closed and inactive, thus they are not presented in the accompanying financial statements. They are Funds 03700, 89000, 82400, and 96890.

E. Non-Current Governmental Assets/Liabilities

Such information is incorporated into the Governmental column in the government-wide Statement of Net Position.

F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and the fiduciary financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis. Under the accrual method of accounting revenues are recognized when earned and expenditures are recognized when incurred.

All governmental funds utilize the modified accrual basis of accounting. Under this method, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the current fiscal period; available meaning collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period.

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

F. Basis of Accounting (Continued)

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are not accrued as current liabilities but as non-current liabilities. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the “susceptible to accrual” concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

The Court, records fine and fee revenue when received in its agency funds as estimating amounts due, but not collected, is not feasible. In the entity wide statements, amounts collected in the agency funds are recorded as receivables.

G. Fund Balance

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature’s and Executive Branch’s intent to be used for specific purposes or in some cases by legislation. See Note 8 for additional information about fund balances.

H. Budgets and Budgetary Accounting

The State Legislature provides annual appropriations to the Court, which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget (modified cash-basis) and a financial control system which permits a budget to actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the appropriation unit level. Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitations as specified in the General Appropriations Act. The budget amounts shown in the financial statements are the final authorized amounts as legally revised during the year.

The debt service fund was not budgeted in the current fiscal year.

The Court follows these procedures in establishing the budgetary data reflected in the financial statements:

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Budgets and Budgetary Accounting (Continued)

1. No later than September 1, the Court submits to the Legislative Finance Committee (LFC), and the Budget Division of the Department of Finance and Administration (DFA), an appropriation request for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.
2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcomes of those hearings are incorporated into the State of New Mexico's General Appropriations Act.
3. The Act is signed into Law by the Governor of the State of New Mexico within the legally prescribed time limit, at which time the approved budget becomes a legally binding document.
4. Not later than May 1, the Court submits to DFA an annual operating budget by appropriation unit and object code based upon the appropriation made by the Legislature. The DFA-Budget Division reviews and approves the operating budget which becomes effective on July 1.

All subsequent budgetary adjustments must be approved by the Director of the DFA-Budget Division and LFC.

5. Legal budget control for expenditures is by category of appropriation unit.
6. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund and Special Revenue Funds.
7. The budgets for the General Fund and Special Revenue Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America (GAAP), (see General Appropriations Act, Laws of 2017, Chapter 135, Section 3, Subsection K) except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978) that must be paid out of the next year's budget. A reconciliation of budgetary basis GAAP basis will be necessary if any accounts payable at the end of the fiscal year are not paid by the statutory deadline.
8. Except for two multi-year special appropriations, all remaining appropriations lapse at the end of the fiscal year. The Court General Fund reverts to the State General Fund, but the Mediation, Parking and Warrant Enforcement are non-reverting funds.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

Qualified employees accumulate annual leave as follows:

Years of Service	Hours Earned Per Pay Period	Hours of Maximum Accrual
1 month – 3 years	4.62	240
Over 3-7 years	5.54	240
Over 7-14 years	6.46	240
Over 14 years/beyond	7.39	240

Two hundred forty (240) hours of accrued annual leave may be carried forward into the beginning of the next calendar year, and any excess is forfeited. When employees terminate, they are compensated for accumulated annual leave as of the date of termination, up to a maximum of two hundred forty (240) hours.

Employees who have over 600 hours of accumulated sick leave can receive payment for hours over 600, up to 120 hours, on July 1 or January 1 of each year. However, sick leave is paid at 50% of the employee's regular hourly wage. At retirement, employees can receive 50% payment for up to 400 hours for the hours over 600 hours of accumulated sick leave. Therefore, the only sick leave which has been accrued represents the hours earned at June 30, 2018, over 600 hours. Expenditures for accumulated sick pay for hours under 600 hours will be recognized as employees take such absences.

The accrual for compensated absences is calculated at pay rates in effect at June 30, 2018, and includes direct and incremental salary-related payments such as the employer's share of social security taxes.

Accrued annual leave, compensatory time and vested sick pay are recorded as a current liability in the Government-wide financial statements. Compensated absences are typically paid out of the General Fund.

J. Net Position

The government-wide Fund Financial Statements utilize a net asset presentation. Net Position is categorized as investment in capital assets (net of related debt) and restricted.

Net Investment in Capital Assets - is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The Court has no debt.

Unrestricted Assets – represent unrestricted liquid assets. The Court allocates expenses to restricted or unrestricted resources based on the budgeted source of funds.

Restricted Assets – are amounts that can only be spent for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation.

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2018**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Use of Estimates

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

L. Capital Assets

All capital assets acquired for general governmental purposes are reported as capital outlay expenditures in the fund that finances the asset acquisition and are capitalized in the Statement of Net Position. In accordance with 12-6-10 NMSA 1978, assets are capitalized by the Court if the cost is more than \$5,000. All purchased capital assets are valued at cost. Donated capital assets are valued at their fair market value on the date donated. Software is included in the machinery and equipment category on the statement of net position. The Court has no infrastructure assets. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives on capital assets as follows:

Machinery and equipment	3-7 years
Vehicles	5 years
Software	3-5 years
Furniture and fixtures	10 years
Building and parking facility	30 years

M. Allowance for Doubtful Accounts

Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles.

NOTE 2. CASH ACCOUNTS AND INTEREST IN STATE TREASURER GENERAL FUND INVESTMENT POOL

The following is a summary of the Court's interest in the New Mexico State Treasurer General Fund investment pool:

	SHARE Number	Investment Pool Amount
General Fund		
Operating Account	15400	\$ 954,489
Special Revenue Funds		
Mediation Fund	93000	171,054
Warrant Enforcement Fund	69300	372,877
Parking Facility Fund	72900	56,398
Severance Tax Bond Fund	89200	<u>49,820</u>
Treasurer investment pool		<u>\$ 1,604,639</u>

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 2. CASH ACCOUNTS AND INTEREST IN STATE TREASURER GENERAL FUND INVESTMENT POOL (CONTINUED)

All funds allotted to the Court are held by the New Mexico State Treasurer. There were no reconciling items at year end. Deposits are non-interest bearing. Money deposited with the State Treasurer is pooled and invested by the State Treasurer and are not rated. The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 in insurance coverage provided by federal agencies. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institutions operating results and capital. Collateral for the fiscal account is required in amounts equal to 50% of the average investment balance. Separate financial statements of the State Treasurer indicate collateral categories of risk and market value of purchased investments. All collateral is held in third-party safekeeping.

These same requirements apply to the Court’s cash deposits. Detail of pledged collateral specific to this agency is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office Collateral Bureau monitors pledged collateral for all state funds held by state agencies in such authorized bank accounts.

The following is a listing of the Court's deposits of public monies grouped by depository financial institution as of June 30, 2018:

	Bank Account Type	Bank Amount
Wells Fargo Bank		
Fiscal & Trust (Fees and Bail Bonds)	Checking	\$ 359,170
Parking Facility	Checking	<u>3,688</u>
Total demand deposits		362,858
FDIC coverage		<u>250,000</u>
Uninsured balance		<u>\$ 112,858</u>

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Court’s deposit may not be returned to it. As of June 30, 2018, the Court’s noninterest deposits with Wells Fargo were insured up to \$250,000 by the FDIC:

Insured	\$ 250,000
Collateralized:	
Collateral held by the Court or in the Court’s name	112,858
Uninsured and uncollateralized	<u>-</u>
Total deposits	<u>\$ 362,858</u>

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2018**

**NOTE 2. CASH ACCOUNTS AND INTEREST IN STATE TREASURER GENERAL
 FUND INVESTMENT POOL (CONTINUED)**

Reconciled amount of cash by fund per financial statements at June 30, 2018, is as follows:

Fiduciary Funds	
Wells Fargo checking accounts	\$ 362,858
Outstanding checks and other reconciling items - net	<u>(62,975)</u>
Cash per financial statements	<u>\$ 299,883</u>

Interest in the General Fund Investment Pool

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

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 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 New Mexico State Treasurer pools are not rated.

For additional GASB 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, 2018.

Restricted cash held by New Mexico Finance Authority

In accordance with the requirements of the revenue bonds administered by the New Mexico Finance Authority (NMFA), the court has restricted cash with NMFA in their trust account. As of June 30, 2018, the balance was \$5,587,403.

NOTE 3. ACCOUNTS RECEIVABLE

Outstanding Judgement

At June 30, 2018 and in prior years, the Court had different classifications of fines and fees receivable. For cases not heard yet, standard costs and fines potentially may apply. However, these fines and costs are a matter of judicial discretion and are not considered to be readily determinable until the case is heard. For cases, which have been heard, there is a determinable amount, which is due. However, the collectability of these amounts is not certain and, in the event of reconsideration or default, may be converted to jail time, community service, waived or reduced, as the Judge determines. Therefore, no fines and fees receivable and no provision for uncollectable fines and fees receivable has been made for outstanding judgments.

Accounts Receivable

Accounts Receivable consist of various receivables fro services provided among other items. An allowance is reported when accounts are proven to be uncollectible. As of June 30, 2018, the Parking Fund had \$36,982 deemed uncollectible and all other receivables are considered collectible.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Court capital assets not being depreciated				
Construction in progress	\$ 12,717	183,918	-	\$ 196,635
Land	6,640,478	-	-	6,640,478
	<u>6,653,195</u>	<u>183,918</u>	<u>-</u>	<u>6,837,113</u>
Court depreciable capital assets				
Machinery, equipment and vehicles	2,677,522	48,558	(716,188)	2,009,892
Building and parking facility	78,607,745	396	-	78,608,141
Total depreciable assets	<u>81,285,267</u>	<u>48,954</u>	<u>(716,188)</u>	<u>80,618,033</u>
Accumulated depreciation				
Machinery, equipment and Vehicles	(2,064,159)	(165,833)	716,188	(1,513,804)
Building	(34,718,999)	(2,668,636)	-	(37,387,635)
Accumulated depreciation	<u>(36,783,158)</u>	<u>(2,834,469)</u>	<u>716,188</u>	<u>(38,901,439)</u>
Total capital assets, net of accumulated depreciation	<u>\$ 51,155,304</u>	<u>(2,601,597)</u>	<u>-</u>	<u>48,553,707</u>

Depreciation expense for the year ended June 30, 2018 was \$2,834,469 which was all charged to the Judicial function in the Statement of Activities.

For FY18, the Office of the State Auditor Rule 2.2.2.10.W eliminated the capital asset inventory requirement to keep old assets capitalized under historical thresholds (under \$5K) on the inventory listing until which time they are disposed. The Court removed the items it had been maintaining that met this rule change.

The Court continued the design and construction of an additional courtroom, chambers, jury deliberation area, holding cell, and west hallway egress on the 4th floor. Expenditures represented in the Construction in Progress include those from two capital appropriations. The project is ongoing and will be completed in FY19. Once the project is finished, the \$196,635 balance will be transferred to assets being depreciated include the \$196,635 balance.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 5. COMPENSATED ABSENCES PAYABLE

A summary of changes in the compensated absences payable for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due in 1 year
Compensated absences					
Accrued annual leave	\$ 760,043	1,000,585	995,542	765,086	733,093
Accrued sick leave	16,935	521,092	512,115	25,912	-
Compensated leave	64,336	31,774	82,035	14,075	-
	<u>\$ 841,313</u>	<u>1,553,452</u>	<u>1,589,692</u>	<u>805,073</u>	<u>733,093</u>

The portion of compensated absences due after one year is not material, and therefore, not separately presented. Substantially, all of the compensated absences' balances have been paid by the General Fund in prior years. The amount of compensated absences is calculated by multiplying the vested hours by the pay rate at year-end plus applicable payroll taxes.

NOTE 6. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

The Court contributes to two defined benefit cost-sharing multiple employer public retirement systems through the Public Employees' Retirement Act (PERA).

Employees Other Than Judges

The Bernalillo County Metropolitan 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.

Judges

The Bernalillo County Metropolitan 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 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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 7. POST-EMPLOYMENT BENEFITS

Plan Description. The Court contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle N.E., Suite 104, Albuquerque, New Mexico 87107.

Compliant with the requirements of the Government 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, 2018.

The 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 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. 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 State of New Mexico Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018 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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 7. POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at nmrhca.org/forms.aspx.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that chose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the Board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5, municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute

1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Court's contributions to the RHCA for the years ended June 30, 2018, 2017 and 2016 were \$233,74, \$239,825, and \$231,414, respectively, which equal the required contributions for each year. The Court remitted for Judges' contributions for the years ended June 30, 2018, 2017 and 2016 were \$54,079, \$53,713, and \$53,669.43, respectively, which equal the required contributions for each year.

NOTE 8. GOVERNMENTAL FUND BALANCES

The Court's fund balances represent: Restricted Purposes which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments. A summary of the nature and purposes of these reserves by fund type at June 30, 2018 follows:

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 8. GOVERNMENTAL FUND BALANCES (CONTINUED)

Fund/Program	Description	Nonspendable	Restricted		Unassigned
			Purposes	Committed	
General Fund	Petty and Other Cash	\$ 4,475	-	-	(4,475)
General Fund	Special Multi-year Appropriation	-	-	87,254	-
Warrant Enforcement Fund	NMSA 1978, Section 34-8A-12	-	364,309	-	-
Parking Facility Fund	NMSA 1978, Section 34-8A-14	-	35,673	-	-
Mediation Fund	NMSA 1978, Section 34-8A-10	-	172,364	-	-
Debt Service Fund	NMFA Reserve Fund for Long-term Debt	-	5,587,403	-	-
Total Fund Balance		\$ 4,475	6,159,749	87,254	(4,475)

NOTE 9. INSURANCE COVERAGE

The Court obtains coverage through Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the Court are covered by a blanket fidelity bond of a \$550,000,000 coverage limit with a \$2,500 deductible per occurrence by the State of New Mexico for the period July 1, 2017 through June 30, 2018.

NOTE 10. OPERATING LEASE COMMITMENTS

The Court is committed under various leases for equipment through 2021. These leases are considered operating leases, and are written with an escape clause in the event of non-appropriation of adequate funds. Expenditures under such leases amounted to \$117,602 for the year ended June 30, 2018. Future minimum payments under the equipment leases are as follows:

Year Ending June 30	Amount
2019	\$ 78,080
2020	860
2021	860
Total	<u>\$ 79,800</u>

NOTE 11. CONTRACTS AND AGREEMENTS

In addition to its annual appropriation from the State of New Mexico General Fund, the Court received revenue from several contracts during the year ended June 30, 2018. (All amounts below are stated on the modified accrual basis.)

- A. An agreement with the County of Bernalillo for the provision of twenty-four hour coverage and Pre-Trial services at the Bernalillo County Detention Center. Total received and accrued for the fiscal year: \$1,070,494.
- B. An agreement with the State of New Mexico Department of Transportation, to improve enforcement and monitoring of court ordered conditions for defendants and offenders with DWI arrests and/or convictions. Total received and accrued for the fiscal year: \$84,167.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 11. CONTRACTS AND AGREEMENTS (CONTINUED)

- C. An agreement with the City of Albuquerque to improve services and monitoring of defendants with the Outreach Court (formerly the Homeless Court). Total received and accrued for the fiscal year: \$18,771.

NOTE 12. SPECIAL APPROPRIATIONS

During the 2015 1st Special Session, the court was appropriated funds for the 4th floor corridor access improvement project. The funds will complete the 4th floor public hallway and allow for a safety egress for staff and members of the public. The first appropriation was in Chapter 3, Section 58 for \$100,000 from the Department of Transportation's DWI Prevention and Education Fund. The second appropriation was in Chapter 3, Section 78 for \$500,000 from the Regulation and Licensing Department's Securities Enforcement Fund. Both appropriations were transferred from the fund balance of each agency to the court. Total expenses for the fiscal year ending June 30, 2016 was \$16,370 and for the fiscal year ending June 30, 2017, a total of \$492,955. For the fiscal year ending June 30, 2018, a total of \$3,421 was expended. The remaining total is \$87,254 of this multi-year appropriation that expires on June 30, 2019.

During the 2016 Legislative Session, the Department of Finance and Administration Local Government Division was appropriated \$497,500 of severance tax bonds to plan, design and construct a courtroom, judge's chambers, and jury room on the 4th floor of the courthouse. Total expenses for the fiscal year ending June 30, 2018 was \$180,893. The remaining total budget, including the Art in Public Places funding, is \$316,607 of this multi-year appropriation that expires on June 30, 2020.

During the 2018 Legislative Session, the court was appropriated \$1,000,000 in severance tax bonds to construct, furnish and equip the courtroom, judge's chambers, jury room, and restricted access areas on the 4th floor of the courthouse. The budget was made available in July 2018 and this multi-year appropriation expires on June 30, 2022.

NOTE 13. DUE TO/FROM OTHER STATE AGENCIES

There is no balance as of June 30, 2018.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 14. INTERAGENCY TRANSFERS

For the year ended June 30, 2018, the Court’s Transfers In and Transfers Out for Agency 24400 are as follows:

<u>Transfers Out</u>				
15400	Department of Finance & Administration	34101	85300 Reversions	\$ 9,586
<u>Transfers In</u>				
15400	Department of Finance & Administration	34101	85300 General Fund Allotment	23,011,800
89200	Department of Finance & Administration	34100	89200 Reimbursement	<u>180,893</u>
				<u>\$ 23,192,693</u>

NOTE 15. CAPITAL REVENUE BONDS

Pursuant to NMSA 1978 Section 34-9-14(A), the “court facilities fund” was created in the State Treasury. The Administrative Office of the Courts (AOC) is responsible for administering the fund. The fund consists of fees collected at courts statewide. The sources of the facility fee are listed below with the appropriate citation in NMSA 1978.

<u>Description</u>	<u>Amount</u>	<u>Contributing Entity</u>
Criminal docket fees	\$ 20	All Magistrate courts and Metropolitan Court (35-6-4)
Civil docket fees	96	Supreme Court (34-2-5)
	100	Court of Appeals (34-5-6)
	12	All Magistrate courts and Metropolitan Court (34-9-16)
Civil Jury fees	15	All Magistrate courts and Metropolitan Court (35-7-2)
Copying fees (paper copies)	\$ 1	All Magistrate courts and Metropolitan Court (35-6-1)
Fees relating to conviction under the provisions of the motor vehicle code:		
	\$ 10	All Magistrate courts except Bernalillo County (35-6-1)
	\$ 24	Bernalillo County only (35-6-1)

All statutory fee collections are transferred monthly from courts statewide to the AOC. The statewide total revenue collected in the fund in FY18 was \$3,577,602. Once all collections are reconciled at the AOC, those fees are then transferred to the New Mexico Finance Authority (NMFA) each month pursuant to NMSA 1978 Section 34-9-14(B) “...for the payment of principal, interest and any other expenses or obligations related to the bonds issued by the authority for financing the acquisition of real property and for the design, construction, furnishing and equipping of a new court building for the Bernalillo county metropolitan court in Albuquerque and of a parking facility adjacent to the court building.” As of June 30, 2018, the

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 15. CAPITAL REVENUE BONDS (CONTINUED)

total principal balance on the bonds was \$22,725,000. In addition, pursuant to NMSA 1978 Section 6-21-6.13 the Metropolitan Court bond guarantee fund is created and administered by the NMFA. Money in the fund is distributed to the court facilities fund if the NMFA determines that the distributions from the court facilities fund will not be sufficient to meet the amount due of annual principal and interest due on the bonds. In addition, pursuant to NMSA 1978 Section 3-18-17, amounts in the Metropolitan Court bond guarantee fund contain distributions from the City of Albuquerque for fines assessed on individuals who failed to obey a traffic sign or signal, including a red light offense or violation, or for a speeding offense or violation. As of June 30, 2018 the balance in the bond guarantee account was \$5,587,403. In FY18, collections and distributions from courts statewide were not sufficient to pay the annual principal and interest due and therefore the NMFA had to distribute \$297,825 from the bond guarantee fund to cover the shortfall of the bond payment due on June 15, 2018. Since inception, the Court has recorded the asset of both building complexes along with the additions that have been made to the building over time. The depreciation was annualized over 30 years and the Court has continued to record that depreciation each year. This liability balance of the bonds will be completed each fiscal year until there is no longer a debt obligation for the Court complex. The final payment of the bonds is scheduled on June 15, 2025.

NOTE 16. LONG-TERM LIABILITIES

As of the fiscal year ending June 30, 2018, the Court is demonstrating the long-term debt of the revenue bonds administered by the New Mexico Finance Authority in the amount of \$27,496,250 bearing interest at a rate of 5.0827% for the Bernalillo County Metropolitan Court and abutting parking structure. Net revenues from statewide court facility fee collections are pledged in repayment of this loan. Debt service fund 50540 was established in SHARE to record the entries. The following are changes during the year ended June 30, 2018 related to this loan:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Note Payable	\$25,325,000	-	2,600,000	22,725,000	2,780,000

Debt service requirements for the years ended June 30 are as follows:

	Principal	Interest	Total
2019	\$ 2,780,000	1,136,250	3,916,250
2020	2,925,000	997,250	3,922,250
2021	3,070,000	851,000	3,921,000
2022	3,235,000	697,500	3,932,500
2023	3,395,000	535,750	3,930,750
2024-2025	<u>7,320,000</u>	<u>553,500</u>	<u>7,873,500</u>
Totals	<u>\$ 22,725,000</u>	<u>4,771,250</u>	<u>27,496,250</u>

Agency Funds:

To account for assets held as an agent for other governmental units, for defendants and for other funds.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 16. LONG-TERM LIABILITIES (CONTINUED)

The Agency Funds of the Court are as follows:

Fines, Fees and Cash Bail Bonds Fund. Accounts for the collection of all criminal and civil case fines, fees and costs not accounted for in another fund, pursuant to Section 35-7-5 NMSA 1978. Funds are maintained in a separate bank account with Wells Fargo Bank in Albuquerque to account for the acceptance of cash bail bonds for the release of an accused defendant and their subsequent application, refund or forfeiture, pursuant to Section 31-4-16, NMSA 1978. SHARE fund number is 96740 department number is 82010.

Bonding Company Collateral Fund. Accounts for the collection of bonding company's collateral, pursuant to Section 7-401.2D. Funds are maintained in the same Wells Fargo account as all other collected criminal and civil fines, fees and cash bonds. SHARE fund number is 96740 department number is 81010.

Refund Suspense Account Fund. The fund was no longer needed and was closed in SHARE in January 2018.

Parking Fund. Accounts for receipts collected in the Court's parking garage and rental income from State (MVD) and retail offices, pursuant to Section 34-8A-14, NMSA 1978. Funds are maintained in a separate bank account with Wells Fargo Bank in Albuquerque. This activity is included in SHARE Fund number is 96740 department number is 83000.

NOTE 17 RECENT GASB PRONOUNCEMENTS

In August 2018, the GASB issued Statement No. 90, *Majority Interests in an amendment of GASB Statements No. 14 and No. 6*. The requirements of this statement are effective for periods beginning after December 15, 2018. Earlier application is encouraged. This statement is not applicable to the Court.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. This statement is not applicable to the Court.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This Statement applies to notes to financial statements of all periods presented. This statement is not applicable to the Court.

In June 2017, the GASB issued Statement No. 87, *Leases*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. This standard will be implemented in a subsequent period.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018**

NOTE 17 RECENT GASB PRONOUNCEMENTS (CONTINUED)

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This statement is not applicable to the Court.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The provisions of this Statement are effective for periods beginning after June 15, 2017. Earlier application is encouraged. This statement is not applicable to the Court.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. This standard will be implemented in a subsequent period.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This statement is not applicable to the Court.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. This statement is not applicable to the Court.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The Court has implemented this standard accordingly in the current year.

NOTE 18. SUBSEQUENT EVENTS

The Department has evaluated subsequent events through October 24, 2018, which is the date the financial statements were available to be issued and concluded that no additional disclosures are required.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2018

	Fines and fees Reveune	Bonding Company Collateral	Metro Parking Structure	Total
ASSETS				
Cash	263,495	32,700	3,688	299,883
Total assets	<u>\$ 263,495</u>	<u>32,700</u>	<u>3,688</u>	<u>299,883</u>
LIABILITIES				
Deposits held for others	\$ 263,495	32,700	3,688	299,883
Total liabilities	<u>\$ 263,495</u>	<u>32,700</u>	<u>3,688</u>	<u>299,883</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES ALL AGENCY FUNDS
June 30, 2018**

		June '17 Bal	Additions	Deletions	June '18 Bal
Bank Accounts:					
Fines & Fees Revenue Fund					
Assets					
	Cash in bank	450,405	4,821,974	5,008,884	263,495
Liabilities					
	Deposits held for others	450,405	4,821,974	5,008,884	263,495
Bonding Company Collateral					
Assets					
	Cash in bank	-	32,700	-	32,700
Liabilities					
	Deposits held for others	-	32,700	-	32,700
Metro Parking Structure					
Assets					
	Cash in bank	9,717	370,246	376,275	3,688
Liabilities					
	Deposits held for others	9,717	370,246	376,275	3,688
Total All Agency Funds					
Assets					
	Cash in bank	460,122	5,224,920	5,385,159	299,883
	Total Assets	<u>460,122</u>	<u>5,224,920</u>	<u>5,385,159</u>	<u>299,883</u>
Liabilities					
	Deposits held for others	460,122	5,224,920	5,385,159	299,883
	Total Assets	<u>460,122</u>	<u>5,224,920</u>	<u>5,385,159</u>	<u>299,883</u>

See Notes to Financial Statements.



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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

Mr. Wayne Johnson,
New Mexico State Auditor
and
Honorable Edward L. Benavidez, Chief Judge
State of New Mexico
Bernalillo County Metropolitan Court

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 and the budgetary comparisons of the general and major funds, of the State of New Mexico Bernalillo County Metropolitan Court (Court), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and the financial statement of the Court's agency funds, presented as supplemental information, and have issued our report thereon dated October 24, 2018.

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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ricci & Company, LLC

Albuquerque, New Mexico

October 24, 2018

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPLITAN COURT
EXIT CONFERENCE
June 30, 2018**

We discussed the results of the audit during the exit conference held October 24, 2018. The exit conference was attended by the following individuals:

State of New Mexico, Bernalillo County Metropolitan Court:

Edward L. Benavidez, Chief Judge
Robert L. Padilla, Court Executive Officer
Jonathan Ash, Deputy Court Executive Officer
Teresa Hauge, Deputy Court Executive Officer
Rachael I. Monarch, Chief Financial Officer
Dana L. Cox, General Counsel
Patricia Elliot, Human Resource Director
Lucinda Warner, Internal Auditor
Anna Casaus, Financial Manager
Erica Perrine, Financial Supervisor
Tanya Torres, Chief Procurement Officer

Ricci & Company, LLC Personnel:

Larry Carmony, CPA
Mark Santiago, CPA

The Court staff prepared the accompanying financial statements with the technical assistance of Ricci & Co. LLC.