

State of  
New Mexico  
Rio Arriba  
County

Annual Financial Report  
For the Year Ended June 30, 2017



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**STATE OF NEW MEXICO**

Rio Arriba County

Official Roster

June 30, 2017

**Name**

**Title**

**Board of County Commissioners**

Danny J. Garcia	Commissioner
Barney Trujillo	Commissioner
Alex M. Naranjo	Commissioner

**Elected Officials**

Levi Valdez, Jr.	County Assessor
Linda Pedilla	County Clerk
James D. Lujan	County Sheriff
Livia Olguin	County Treasurer
Max Quintana	Probate Judge

**Administrative Officials**

Tomas Campos	County Manager
Christine Montañó	Director of Finance
David F. Trujillo	Assistant County Manager
Guadalupe Mercure	Assistant Director of Finance

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Timothy M. Keller  
New Mexico State Auditor  
The Office of Management and Budget  
The County Manager and  
County Commissioners  
Rio Arriba County  
Tierra Amarilla, New Mexico

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund and the major special revenue fund of Rio Arriba County, New Mexico (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the County'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.

### Auditors' 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 auditors' 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 County'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 County'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, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2017, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require Schedules I, II, and the Notes to the Required Supplementary Information on pages 84 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

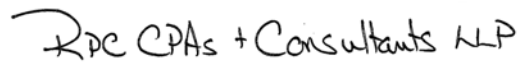
Our audit was conducted for the purpose of forming opinions on the County's financial statements that collectively comprise the County's basic financial statements and the budgetary comparisons of the General Fund and the major special revenue fund. The introductory section, the combining and individual nonmajor fund financial statements, Supporting Schedules III through IX as required by section 2.2.2 NMAC, and Schedule X Financial Data Schedule as required by the U.S Department of Housing and Urban Development are presented for purposes of additional analysis and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and Supporting Schedules III through X are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and Supporting Schedules III through X are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



RPC CPAs + Consultants, LLP  
Albuquerque, New Mexico  
November 29, 2017

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Net Position  
June 30, 2017

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets and Deferred Outflows</b>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 14,903,826	\$ 210,353	\$ 15,114,179
Investments	8,471,660	59,498	8,531,158
Accounts receivable:			
Property taxes, net	1,073,554	-	1,073,554
Other taxes	1,301,520	-	1,301,520
Intergovernmental	561,875	148,317	710,192
Tenant, net	-	4,101	4,101
Other	-	6,869	6,869
Loan receivable - current	53,000	-	53,000
Accrued interest	-	83	83
Prepaid expenses	-	10,033	10,033
<i>Total current assets</i>	<u>26,365,435</u>	<u>439,254</u>	<u>26,804,689</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	55,244	14,856	70,100
Accounts receivable - intergovernmental	-	194,875	194,875
Loans receivable - noncurrent	601,205	-	601,205
Restricted investments	198,333	-	198,333
Capital assets	143,976,459	5,826,397	149,802,856
Less: accumulated depreciation	<u>(57,580,579)</u>	<u>(4,834,474)</u>	<u>(62,415,053)</u>
<i>Total noncurrent assets</i>	<u>87,250,662</u>	<u>1,201,654</u>	<u>88,452,316</u>
<i>Deferred outflows of resources</i>			
Changes in proportion	-	10,303	10,303
Changes of assumption	1,458,387	12,460	1,470,847
Difference between expected and actual experience	1,298,824	10,616	1,309,440
Employer contributions subsequent to measurement date	1,230,456	10,876	1,241,332
Net difference between projected and actual investment earnings on pension plan investments	<u>4,411,843</u>	<u>40,631</u>	<u>4,452,474</u>
<i>Total deferred outflows of resources</i>	<u>8,399,510</u>	<u>84,886</u>	<u>8,484,396</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 122,015,607</u>	<u>\$ 1,725,794</u>	<u>\$ 123,741,401</u>

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

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities, Deferred Inflows, and Net Position</b>			
<i>Current liabilities</i>			
Accounts payable	\$ 348,782	\$ 19,603	\$ 368,385
Unearned revenue	-	662	662
Accrued interest	17,255	-	17,255
Tenant deposits	-	6,395	6,395
Loans and bonds payable	316,561	-	316,561
Accrued payroll	553,018	2,325	555,343
Compensated absences - current	471,122	9,299	480,421
<i>Total current liabilities</i>	<u>1,706,738</u>	<u>38,284</u>	<u>1,745,022</u>
<i>Noncurrent liabilities</i>			
Loans and bonds payable	7,146,084	-	7,146,084
Compensated absences - noncurrent	131,776	4,787	136,563
Net pension liability	24,442,321	212,487	24,654,808
<i>Total noncurrent liabilities</i>	<u>31,720,181</u>	<u>217,274</u>	<u>31,937,455</u>
<i>Deferred inflows of resources</i>			
Changes in proportion	349,604	17,383	366,987
Changes of assumption	63,181	35	63,216
Net difference between projected and actual investment earnings	-	1,533	1,533
Difference between expected and actual experience	206,255	2,074	208,329
<i>Total deferred inflows of resources</i>	<u>619,040</u>	<u>21,025</u>	<u>640,065</u>
<i>Total liabilities and deferred inflows</i>	<u>34,045,959</u>	<u>276,583</u>	<u>34,322,542</u>
<i>Net position</i>			
Net investment in capital assets	78,933,235	991,923	79,925,158
Restricted for:			
Debt service	362,027	-	362,027
Capital projects	7,082,295	-	7,082,295
Special revenue	13,096,251	-	13,096,251
Section 8 Housing	-	8,453	8,453
Unrestricted	(11,504,160)	448,835	(11,055,325)
<i>Total net position</i>	<u>87,969,648</u>	<u>1,449,211</u>	<u>89,418,859</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 122,015,607</u>	<u>\$ 1,725,794</u>	<u>\$ 123,741,401</u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Activities  
For the Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 11,191,578	\$ 1,227,985	\$ 1,513,119	\$ -
Public safety	12,590,807	148,252	2,970,630	-
Public works	3,022,397	1,825	486,741	378,822
Culture and recreation	1,408,176	4,440	-	-
Health and welfare	4,317,617	103,366	1,495,043	-
Interest and other charges	244,762	-	-	-
<i>Total governmental activities</i>	<u>32,775,337</u>	<u>1,485,868</u>	<u>6,465,533</u>	<u>378,822</u>
Business-type activities:				
Housing Authority	548,828	211,521	279,907	-
<i>Total business-type activities</i>	<u>548,828</u>	<u>211,521</u>	<u>279,907</u>	<u>-</u>
<i>Total primary governmental</i>	<u>\$ 33,324,165</u>	<u>\$ 1,697,389</u>	<u>\$ 6,745,440</u>	<u>\$ 378,822</u>

**General Revenues**

Taxes:

Property

Gross receipts

Gasoline and motor vehicle

Lodgers

Franchise

Payment in lieu of taxes

Miscellaneous

Gain from sale of assets

Contributed capital

Investment income

*Total general revenues*

Change in net position

Net position - beginning of year

Net position - restatement

*Net position - beginning, as restated*

*Net position - end of year*

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

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (8,450,474)	\$ -	\$ (8,450,474)
(9,471,925)	-	(9,471,925)
(2,155,009)	-	(2,155,009)
(1,403,736)	-	(1,403,736)
(2,719,208)	-	(2,719,208)
(244,762)	-	(244,762)
(24,445,114)	-	(24,445,114)
-	(57,400)	(57,400)
-	(57,400)	(57,400)
(24,445,114)	(57,400)	(24,502,514)
6,525,940	-	6,525,940
4,828,732	-	4,828,732
5,070,200	-	5,070,200
58,309	-	58,309
2,267	-	2,267
2,277,385	-	2,277,385
1,271,009	-	1,271,009
40,816	-	40,816
-	14,192	14,192
90,149	384	90,533
20,164,807	14,576	20,179,383
(4,280,307)	(42,824)	(4,323,131)
92,249,955	1,473,949	93,723,904
-	18,086	18,086
92,249,955	1,492,035	93,741,990
\$ 87,969,648	\$ 1,449,211	\$ 89,418,859

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Governmental Funds  
Balance Sheet  
June 30, 2017

	<b>General Fund</b>	<b>Indigent</b>	<b>Landfill Closure Capital Projects Fund</b>
<i>Assets</i>			
Cash and cash equivalents	\$ 4,642,738	\$ 1,158,547	\$ 486,489
Investments	2,230	1,800,000	-
Accounts receivable			
Property taxes, net	1,073,554	-	-
Other taxes	790,509	95,044	-
Intergovernmental	-	-	-
Loan receivable	-	-	654,205
Due from other funds	68,632	-	-
	<u>68,632</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 6,577,663</u>	<u>\$ 3,053,591</u>	<u>\$ 1,140,694</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 95,116	\$ -	\$ -
Accrued payroll	396,069	324	-
Due to other funds	-	-	-
	<u>491,185</u>	<u>324</u>	<u>-</u>
<i>Total liabilities</i>	<u>491,185</u>	<u>324</u>	<u>-</u>
<i>Deferred inflows of resources</i>			
Unavailable revenue - property taxes	434,370	-	-
Unavailable revenue - loan receivable	-	-	654,205
	<u>434,370</u>	<u>-</u>	<u>654,205</u>
<i>Total deferred inflows of resources</i>	<u>434,370</u>	<u>-</u>	<u>654,205</u>
<i>Fund balances</i>			
<i>Spendable</i>			
<i>Restricted:</i>			
General county operations	-	-	-
Public safety	-	-	-
County roads	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	3,053,267	-
County property valuation	-	-	-
Minimum fund balance	4,223,072	-	-
Debt service	-	-	-
<i>Committed:</i>			
Capital projects	-	-	486,489
Unassigned	1,429,036	-	-
	<u>5,652,108</u>	<u>3,053,267</u>	<u>486,489</u>
<i>Total fund balances</i>	<u>5,652,108</u>	<u>3,053,267</u>	<u>486,489</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 6,577,663</u>	<u>\$ 3,053,591</u>	<u>\$ 1,140,694</u>

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



<u>County Funded Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,218,681	\$ 7,452,615	\$ 14,959,070
4,087,323	2,780,440	8,669,993
-	-	1,073,554
90,249	325,718	1,301,520
-	561,875	561,875
-	-	654,205
-	-	68,632
<u>\$ 5,396,253</u>	<u>\$ 11,120,648</u>	<u>\$ 27,288,849</u>
\$ 5,309	\$ 248,357	\$ 348,782
-	156,625	553,018
-	68,632	68,632
<u>5,309</u>	<u>473,614</u>	<u>970,432</u>
-	-	434,370
-	-	654,205
-	-	1,088,575
-	2,441,549	2,441,549
-	5,670,508	5,670,508
-	867,202	867,202
-	107,898	107,898
-	312,800	3,366,067
-	454,758	454,758
-	164,409	4,387,481
-	253,577	253,577
5,390,944	575,470	6,452,903
-	(201,137)	1,227,899
<u>5,390,944</u>	<u>10,647,034</u>	<u>25,229,842</u>
<u>\$ 5,396,253</u>	<u>\$ 11,120,648</u>	<u>\$ 27,288,849</u>

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

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STATE OF NEW MEXICO

Rio Arriba County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2017

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$ 25,229,842
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	86,395,880
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflow in the fund financial statement, but are considered revenue in the Statement of Activities	434,370
Loans receivables not collected within sixty days after year end are not considered "available" revenue and are considered deferred inflow in the fund financial statement, but are considered revenue in the Statement of Activities	654,205
Deferred outflows of resources related to change of assumptions	1,458,387
Deferred outflows of resources related to difference between expected and actual experience	1,298,824
Deferred outflows of resources related to employer contributions subsequent to the measurement date	1,230,456
Deferred outflows of resources related to the net difference between projected and actual investment earnings on pension plan investments	4,411,843
Deferred inflows of resources related to changes in proportion	(349,604)
Deferred inflows of resources related to changes of assumptions	(63,181)
Deferred inflows of resources related to difference between expected and actual experience	(206,255)
Some liabilities, including notes and bonds payable, compensated absences, and the net pension liability, are not due and payable in the current period and, therefore, are not reported in the fund financial statements:	
Loans and bonds payable	(7,462,645)
Accrued interest	(17,255)
Accrued compensated absences	(602,898)
Net pension liability	<u>(24,442,321)</u>
<i>Total net position of governmental activities</i>	<u>\$ 87,969,648</u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017

	<u>General Fund</u>	<u>Indigent</u>	<u>Landfill Closure Capital Projects Fund</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 6,773,700	\$ 274,465	\$ -
Gross receipts	1,490,764	501,796	-
Gasoline and motor vehicle	4,505,488	117,573	-
Lodgers	-	-	-
Franchise	2,267	-	-
Intergovernmental:			
Federal operating grants	-	-	-
State operating grants	1,417,731	16,087	-
State capital grants	-	-	-
Payment in lieu of taxes	2,277,385	-	-
Local sources:			
Charges for services	214,473	-	-
Licenses and and permits	832,892	-	-
Investment income	6,020	-	-
Miscellaneous	33,848	-	400,000
<i>Total revenues</i>	<u>17,554,568</u>	<u>909,921</u>	<u>400,000</u>
<i>Expenditures</i>			
Current:			
General government	9,263,122	-	-
Public safety	6,683,882	-	-
Public works	186,515	-	443
Culture and recreation	361,315	-	-
Health and welfare	397,455	385,343	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>16,892,289</u>	<u>385,343</u>	<u>443</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>662,279</u>	<u>524,578</u>	<u>399,557</u>
<i>Other financing sources (uses)</i>			
Proceeds from sale of assets	5,133	-	-
Transfers in	655,758	-	-
Transfers (out)	(1,619,175)	-	-
<i>Total other financing sources (uses)</i>	<u>(958,284)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(296,005)	524,578	399,557
<i>Fund balances - beginning of year</i>	<u>5,948,113</u>	<u>2,528,689</u>	<u>86,932</u>
<i>Fund balances - end of year</i>	<u>\$ 5,652,108</u>	<u>\$ 3,053,267</u>	<u>\$ 486,489</u>

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

<u>County Funded Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 209,631	\$ 7,257,796
567,671	2,268,501	4,828,732
-	447,139	5,070,200
-	58,309	58,309
-	-	2,267
-	552,531	552,531
3,174	4,476,010	5,913,002
-	378,822	378,822
-	-	2,277,385
-	438,503	652,976
-	-	832,892
81,213	2,916	90,149
18,757	164,199	616,804
<u>670,815</u>	<u>8,996,561</u>	<u>28,531,865</u>
362,545	598,675	10,224,342
-	3,865,167	10,549,049
-	1,472,183	1,659,141
-	81,170	442,485
-	3,048,344	3,831,142
782,563	2,076,514	2,859,077
-	308,634	308,634
-	245,020	245,020
<u>1,145,108</u>	<u>11,695,707</u>	<u>30,118,890</u>
<u>(474,293)</u>	<u>(2,699,146)</u>	<u>(1,587,025)</u>
31,469	4,214	40,816
-	1,795,548	2,451,306
-	(832,131)	(2,451,306)
<u>31,469</u>	<u>967,631</u>	<u>40,816</u>
(442,824)	(1,731,515)	(1,546,209)
<u>5,833,768</u>	<u>12,378,549</u>	<u>26,776,051</u>
<u>\$ 5,390,944</u>	<u>\$ 10,647,034</u>	<u>\$ 25,229,842</u>

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

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**STATE OF NEW MEXICO**

Rio Arriba County

Governmental Funds

Exhibit B-2

Page 2 of 2

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds	\$ (1,546,209)
--	----------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital asset additions reported as capital outlay expenditures	2,859,077
Depreciation expense	(4,243,409)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Change in deferred inflows related to the property taxes receivable	(731,856)
Change in deferred inflows related to loans receivable	654,205

Governmental funds report County pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense:

County pension contributions	1,230,456
Pension expense	(2,842,056)

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Decrease in accrued compensated absences	30,593
Decrease in accrued interest payable	258
Principal payments on loans and bonds	308,634
	308,634

<i>Change in net position of governmental activities</i>	<u><u>\$ (4,280,307)</u></u>
--	------------------------------

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

## STATE OF NEW MEXICO

Exhibit C-1

Rio Arriba County

General Fund

## Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- (Negative)
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property	\$ 5,848,028	\$ 5,848,028	\$ 6,147,493	\$ 299,465
Gross receipts	1,503,102	1,503,102	1,371,461	(131,641)
Gasoline and motor vehicle	5,148,147	5,148,147	4,308,614	(839,533)
Lodgers	2,890	2,890	2,267	(623)
Intergovernmental:				
State operating grants	1,732,972	1,777,976	2,011,371	233,395
Payment in lieu of taxes	2,000,000	2,000,000	2,277,385	277,385
Charges for services	209,695	209,695	221,430	11,735
Licenses and permits	1,071,070	1,071,070	851,457	(219,613)
Investment income	1,200	1,200	9,536	8,336
Miscellaneous	56,697	56,697	33,848	(22,849)
<i>Total revenues</i>	<u>17,573,801</u>	<u>17,618,805</u>	<u>17,234,862</u>	<u>(383,943)</u>
<i>Expenditures</i>				
Current:				
General government	9,941,441	9,886,502	9,084,761	801,741
Public safety	6,655,928	6,736,983	6,629,481	107,502
Public works	214,257	214,257	180,502	33,755
Culture and recreation	442,639	443,239	349,164	94,075
Health and welfare	441,798	441,798	385,759	56,039
<i>Total expenditures</i>	<u>17,696,063</u>	<u>17,722,779</u>	<u>16,629,667</u>	<u>1,093,112</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(122,262)</u>	<u>(103,974)</u>	<u>605,195</u>	<u>709,169</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,140,062	1,126,692	-	(1,126,692)
Proceeds from sale of assets	-	-	5,133	5,133
Transfers in	-	-	62,118	62,118
Transfers (out)	(1,017,800)	(1,022,718)	(1,619,175)	(596,457)
<i>Total other financing sources (uses)</i>	<u>122,262</u>	<u>103,974</u>	<u>(1,551,924)</u>	<u>(1,655,898)</u>
<i>Net change in fund balances</i>	-	-	(946,729)	(946,729)
<i>Fund balances - beginning of year</i>	-	-	5,591,697	5,591,697
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,644,968</u>	<u>\$ 4,644,968</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ (946,729)
Adjustments to revenues for taxes, charges for services and investment income				913,346
Adjustments to expenditures for payables, payroll taxes, and other accruals				(262,622)
<i>Net change in fund balances (GAAP)</i>				<u>\$ (296,005)</u>

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



**STATE OF NEW MEXICO**  
Rio Arriba County  
Indigent Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2017

Exhibit C-2

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget- (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<i>Revenues</i>				
<i>Taxes:</i>				
Gross receipts	\$ 495,000	\$ 495,000	\$ 514,720	\$ 19,720
Gasoline and motor vehicle	-	112,537	112,537	-
Lodgers	-	268,994	274,465	5,471
<i>Intergovernmental:</i>				
State operating grants	-	16,087	16,087	-
<i>Total revenues</i>	<u>495,000</u>	<u>892,618</u>	<u>917,809</u>	<u>25,191</u>
<i>Expenditures</i>				
<i>Current:</i>				
Health and welfare	<u>2,920,759</u>	<u>2,920,758</u>	<u>385,019</u>	<u>2,535,739</u>
<i>Total expenditures</i>	<u>2,920,759</u>	<u>2,920,758</u>	<u>385,019</u>	<u>2,535,739</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,425,759)</u>	<u>(2,028,140)</u>	<u>532,790</u>	<u>2,560,930</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	<u>2,425,759</u>	<u>2,028,140</u>	<u>-</u>	<u>(2,028,140)</u>
<i>Total other financing sources (uses)</i>	<u>2,425,759</u>	<u>2,028,140</u>	<u>-</u>	<u>(2,028,140)</u>
<i>Net change in fund balances</i>	-	-	532,790	532,790
<i>Fund balances - beginning of year</i>	-	-	2,425,757	2,425,757
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,958,547</u>	<u>\$ 2,958,547</u>
Net change in fund balances (non-GAAP budgetary basis)				\$ 532,790
Adjustments to revenues for gross receipts and oil & gas taxes				(7,888)
Adjustments to expenditures for payroll accruals				(324)
<i>Net change in fund balances (GAAP)</i>				<u>\$ 524,578</u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Net Position  
Business-type Activities  
June 30, 2017

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Voucher Program</b>	<b>Total</b>
<b>Assets and Deferred Outflows</b>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 192,390	\$ 17,963	\$ 210,353
Investments	59,498	-	59,498
Accounts receivable - tenants, net	4,101	-	4,101
Accounts receivable - grants	148,317	-	148,317
Accounts receivable - other	6,869	-	6,869
Accrued interest receivable	83	-	83
Due from other funds	1,085	-	1,085
Prepaid expenses	8,993	1,040	10,033
<i>Total current assets</i>	<u>421,336</u>	<u>19,003</u>	<u>440,339</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	6,403	8,453	14,856
Accounts receivable - grants	194,875	-	194,875
Capital assets	5,826,397	-	5,826,397
Accumulated depreciation	(4,834,474)	-	(4,834,474)
<i>Total noncurrent assets</i>	<u>1,193,201</u>	<u>8,453</u>	<u>1,201,654</u>
<i>Deferred outflows of resources</i>			
Changes in proportion	9,596	707	10,303
Changes in assumptions	11,534	926	12,460
Net difference between projected and actual investment earnings	40,631	-	40,631
Difference between expected and actual experience	9,827	789	10,616
Employer contributions subsequent to measurement date	9,009	1,867	10,876
<i>Total deferred outflows of resources</i>	<u>80,597</u>	<u>4,289</u>	<u>84,886</u>
<i>Total assets and deferred outflows</i>	<u>\$ 1,695,134</u>	<u>\$ 31,745</u>	<u>\$ 1,726,879</u>

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

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Voucher Program</b>	<b>Total</b>
<b>Liabilities, Deferred Inflows, and Net Position</b>			
<i>Current liabilities</i>			
Accounts payable	\$ 19,430	\$ 173	\$ 19,603
Accrued payroll	2,325	-	2,325
Unearned revenue	662	-	662
Compensated absences	8,638	661	9,299
Due to other funds	-	1,085	1,085
<i>Total current liabilities</i>	<u>31,055</u>	<u>1,919</u>	<u>32,974</u>
<i>Current liabilities (payable from restricted assets)</i>			
Tenant deposits	6,395	-	6,395
<i>Total current liabilities (payable from restricted assets)</i>	<u>6,395</u>	<u>-</u>	<u>6,395</u>
<i>Non-current liabilities</i>			
Compensated absences	4,457	330	4,787
Net pension liability	186,212	26,275	212,487
<i>Total non-current liabilities</i>	<u>190,669</u>	<u>26,605</u>	<u>217,274</u>
<i>Total liabilities</i>	<u>228,119</u>	<u>28,524</u>	<u>256,643</u>
<i>Deferred inflows of resources</i>			
Net difference between projected and actual investment earnings	-	1,533	1,533
Difference between expected and actual experience	1,939	135	2,074
Changes of assumptions	25	10	35
Changes in proportion	16,091	1,292	17,383
<i>Total deferred inflows of resources</i>	<u>18,055</u>	<u>2,970</u>	<u>21,025</u>
<i>Net position</i>			
Net investment in capital assets	991,923	-	991,923
Restricted	-	8,453	8,453
Unrestricted	457,037	(8,202)	448,835
<i>Total net position</i>	<u>1,448,960</u>	<u>251</u>	<u>1,449,211</u>
<i>Total liabilities, deferred inflows, and net position</i>	<u>\$ 1,695,134</u>	<u>\$ 31,745</u>	<u>\$ 1,726,879</u>

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

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**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Revenues, Expenses, and Changes in Net Position  
Business-type Activities  
For the Year Ended June 30, 2017

Exhibit D-2

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Voucher Program</b>	<b>Total</b>
<i>Operating revenues</i>			
Tenant rents	\$ 112,569	\$ -	\$ 112,569
Operating grants	209,698	70,209	279,907
Other tenant revenue	525	16,307	16,832
<i>Total operating revenues</i>	<u>322,792</u>	<u>86,516</u>	<u>409,308</u>
<i>Operating expenses</i>			
Personnel services	144,184	12,055	156,239
Contractual services	9,988	-	9,988
Accounting fees	4,092	1,800	5,892
General and administrative:			
Supplies	7,977	2,153	10,130
Insurance	18,539	-	18,539
Bad debt	44,178	-	44,178
Maintenance and materials	19,308	-	19,308
Utilities	41,238	-	41,238
Depreciation	171,685	-	171,685
Housing assistance payments - portability in	-	14,890	14,890
Housing assistance payments	-	56,467	56,467
Miscellaneous	151	123	274
<i>Total operating expenses</i>	<u>461,340</u>	<u>87,488</u>	<u>548,828</u>
<i>Operating (loss)</i>	<u>(138,548)</u>	<u>(972)</u>	<u>(139,520)</u>
<i>Non-operating revenues</i>			
Interest income	326	58	384
Management fee income	82,120	-	82,120
<i>Total non-operating revenues</i>	<u>82,446</u>	<u>58</u>	<u>82,504</u>
<i>Net income before capital contributions</i>	<u>(56,102)</u>	<u>(914)</u>	<u>(57,016)</u>
<i>Capital contributions</i>			
Federal capital grants	14,192	-	14,192
<i>Total capital contributions</i>	<u>14,192</u>	<u>-</u>	<u>14,192</u>
<i>Change in net position</i>	<u>(41,910)</u>	<u>(914)</u>	<u>(42,824)</u>
<i>Net position - beginning of year</i>	1,473,263	686	1,473,949
<i>Net position - restatement (Note 15)</i>	<u>17,607</u>	<u>479</u>	<u>18,086</u>
<i>Net position - as restated</i>	<u>1,490,870</u>	<u>1,165</u>	<u>1,492,035</u>
<i>Net position - end of year</i>	<u>\$ 1,448,960</u>	<u>\$ 251</u>	<u>\$ 1,449,211</u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Cash Flows  
Business-type Activities  
For the Year Ended June 30, 2017

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Voucher Program</b>	<b>Total</b>
<i>Cash flows from operating activities:</i>			
Cash received from tenants	\$ 95,039	\$ 16,910	\$ 111,949
Cash received from operating grants	169,388	70,209	239,597
Cash payments to employees for services	(144,594)	(11,208)	(155,802)
Cash payments to suppliers for goods and services	(94,369)	(75,188)	(169,557)
<i>Net cash provided by operating activities</i>	<u>25,464</u>	<u>723</u>	<u>26,187</u>
<i>Cash flows from noncapital financing activities:</i>			
Cash received from management fee income	82,120	-	82,120
Change in due to/from	1,381	(1,381)	-
<i>Net cash provided (used) by noncapital financing activities</i>	<u>83,501</u>	<u>(1,381)</u>	<u>82,120</u>
<i>Cash flows from capital and related financing activities:</i>			
Cash received from capital grants	14,192	-	14,192
Acquisition of capital assets	(14,192)	-	(14,192)
<i>Net cash provided (used) by capital and related financing activities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash flows from investing activities:</i>			
Reinvested investment income	(149)	-	(149)
Interest received on investments	325	58	383
<i>Net cash provided by investing activities</i>	<u>176</u>	<u>58</u>	<u>234</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	109,141	(600)	108,541
<i>Cash and cash equivalents - beginning of year</i>	<u>89,652</u>	<u>27,016</u>	<u>116,668</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 198,793</u>	<u>\$ 26,416</u>	<u>\$ 225,209</u>

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

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Voucher Program</b>	<b>Total</b>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>			
Operating (loss)	\$ (138,548)	\$ (972)	\$ (139,520)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation	171,685	-	171,685
Bad debt	44,178	-	44,178
Noncash pension expense	13,569	604	14,173
Changes in assets and liabilities:			
Accounts receivable	(58,780)	1,089	(57,691)
Prepaid expenses	(74)	175	101
Accounts payable	6,997	70	7,067
Accrued payroll and expenses	(11,899)	-	(11,899)
Unearned revenue	461	-	461
Accrued compensated absences	943	-	943
Tenant deposits	(45)	-	(45)
Deferred outflows - subsequent contributions	(3,023)	(243)	(3,266)
<i>Net cash (used) by operating activities</i>	<u>\$ 25,464</u>	<u>\$ 723</u>	<u>\$ 26,187</u>

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

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**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2017

Exhibit E-1

**Assets**

Cash and cash equivalents	\$ 537,994
Other taxes receivable	237,184
Property taxes receivable, net	<u>2,831,022</u>
<i>Total assets</i>	<u><u>\$ 3,606,200</u></u>

**Liabilities**

Due to other taxing units, inmates, and other beneficiaries	<u>\$ 3,606,200</u>
<i>Total liabilities</i>	<u><u>\$ 3,606,200</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**GOVERNMENTAL ACTIVITIES**

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies**

Rio Arriba County (the "County") is a political sub-division of the State of New Mexico established and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commission-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection and general administrative services.

Rio Arriba County is a body politic and corporate under the name and form of government selected by its qualified electors. The County may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico.
6. Protect generally the property of its county and its inhabitants;
7. Preserve peace and order within the county; and
8. Establish rates for services provided by the County utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of Rio Arriba County is presented to assist in the understanding of Rio Arriba County's financial statements. The financial statements and notes are the representation of Rio Arriba County's management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2017, the County adopted GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 (partial)*, No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, No. 77, *Tax Abatement Disclosures*, No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, and No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. These six Statements are required to be implemented as of June 30, 2017, if applicable.

The objective of GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement was effective and was implemented for the June 30, 2016 year end, and a portion is effective for June 30, 2017 year end. Effective for June 30, 2017 are the provisions of the statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68. This does not have a material effect on the financial statements of the County, as its pension plan is within the scope of Statement 68.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

The objective of GASB Statement No. 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement does not affect the County's financial statements directly; however, the effects on the County's OPEB plan, administered through the New Mexico Retiree Health Care Authority, will be seen in future periods.

GASB Statement No. 77 is intended to improve the usefulness of financial statements prepared by state and local governments – which are intended, among other things, to assist users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources came from and how it uses them, and (4) a government's financial position and economic condition and how they have changed after time – by including information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens – such as the encouragement of economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

These tax abatements may affect the financial position of the government and its results of operations, including its ability to raise resources in the future. Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients;
- The gross dollar amount of taxes abated during the period;
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

For tax abatement agreements entered into by other governments, the following should be disclosed:

- The names of the governments that entered into the agreements;
- The specific taxes being abated; and
- The gross dollar amount of taxes abated during the period.

This statement does not have a material effect on the financial statements of the County.

**STATE OF NEW MEXICO**  
Rio Arriba County  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

The objective of GASB Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude certain pensions provided to employees of state or local governmental employers. The County's pension plan does not meet the criteria for exclusion.

The objective of GASB Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

GASB Statement No. 82 clarified and adjusted several items from GASB 67 and 68, including the definition of covered payroll, the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

The more significant of the government's accounting policies are described below.

*A. Financial Reporting Entity*

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities are, in substance, part of the government's operations.

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 benefits the government and/or 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.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to the Financial Statements  
June 30, 2017

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*A. Financial Reporting Entity (continued)*

Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the County has one component unit required to be reported under GASB Statements No. 14, No. 39, and No. 61.

**Blended Component Unit**

Rio Arriba County Housing Authority (the "Authority"): The Authority is a separate legal entity that can sue or be sued separately from the County. The component unit has the same three board members as the County and receives funding from the County to meet some of its expenditures. For these reasons, the Authority is considered a blended component unit. The Authority provides services to residents, generally within the geographic boundaries of the primary government.

Generally Accepted Accounting Principles requires the inclusion of this unit in the reporting entity. A separate audited financial statement was issued by the Authority and can be obtained by writing to the Rio Arriba County Housing Authority, PO Box 310, 737 La Joya Street, Española, NM 87532. The business-type activities have been presented in the government-wide financial statements, and there is a separately issued full set of financial statements and disclosures to the basic financial statements for the Authority.

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The County's net position is reported in three parts – Net investment in capital assets; restricted net position; and unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*B. Government-wide and fund financial statements (continued)*

*Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

*C. Measurement focus, basis of accounting, and financial statement presentation (continued)*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government. Unavailable revenue is classified as a deferred inflow.

Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

**STATE OF NEW MEXICO**  
Rio Arriba County  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation (continued)*

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of County facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The County reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The County does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Under the requirements of GASB Statement No. 34, the County is required to present certain governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Indigent Special Revenue Fund* accounts for expenditures that assist needy individuals with hospital expenses. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 1978 7-20-3)

The *County Funded Capital Projects Fund* accounts for capital acquisitions funded by bond proceeds, gross receipts taxes, cash transfers from the General Fund. (Authority: County Commission)

The *Landfill Closure Capital Projects Fund* accounts for expenditures for planning landfill closures and revenue associated with the North Central Solid Waste Authority loan receivable. (Authority: County Commission)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority, a blended component unit of the County, are rent and other tenant-related revenue. Operating expenses of the Authority consist of administrative costs, maintenance and repairs, housing assistance payments, bad debt expenses, and depreciation.



**STATE OF NEW MEXICO**  
Rio Arriba County  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation (continued)*

All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. A separate audited financial statement was issued by the Authority and can be obtained by writing to the Rio Arriba County Housing Authority, PO Box 310, 737 La Joya Street, Española, NM 87532.

The separate audit report contains a full set of financial statements and disclosures to the basic financial statements for the Authority.

Additionally, the government reports the following agency funds:

Fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

*D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Fund Equity*

**Deposits and Investments:** The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. The State Treasurer's Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2017, the County maintained a balance of \$1,130 in the Local Government Investment Pool.

**Receivables and Payables:** Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Fund Equity (continued)*

In the government-wide and governmental fund financial statements, delinquent property taxes are recorded as revenue when levied, net of estimated refunds and uncollectable amounts.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

**Restricted Assets:** Restricted assets consist of those funds expendable for debt service purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

**Capital Assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Rio Arriba County was a phase II government for purpose of recording the historical cost (or estimate) of infrastructure assets retroactively to 1979. Those infrastructure costs are included in the capital assets. New infrastructure built since GASB Statement No. 34 was implemented in fiscal year 2003 has also been capitalized. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	25-50
Land improvements	20-40
Infrastructure	25-50
Machinery and equipment	5-10

**Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2017, along with applicable PERA, Retiree Health Care, FICA and Medicare accruals.

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Fund Equity (continued)*

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The County has two types of deferred inflows which arises under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, unavailable revenue - property taxes and unavailable revenue - loan receivable, are reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflows of resources in the period that the amounts becomes available. The County has recorded \$434,370 and \$654,205 related to property taxes and loan revenue, respectively, considered "unavailable." In addition, the County has three items presented on the Statement of Net Position for both the governmental activities, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, changes in proportion of \$349,604, changes of assumptions of \$63,181, and the difference between expected and actual experience of \$206,255 are reported on the Statement of Net Position for the governmental activities. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The County has four items that qualify for reporting in this category. Accordingly, the items, changes of assumption of \$1,458,387, the difference between expected and actual experience of \$1,298,824, employer contributions subsequent to measurement date of \$1,230,456 and the net difference between projected and actual investment earnings on pension plan investments of \$4,411,843 have been reported as deferred outflows of resources reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources in future periods.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (P.E.R.A) and additions to/deductions from P.E.R.A's fiduciary net position have been determined on the same basis as they are reported by P.E.R.A, on the economic resources measurement focus and accrual basis of accounting.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to the Financial Statements  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Fund Equity (continued)*

**Compensated Absences:** Qualified employees may accumulate limited amounts of vacation pay which are payable to the employee upon termination or retirement. Full-time classified employees accrue annual leave at the rate of 6.1538 hours per pay period for a total of 20 days per year. Part-time classified employees working more than 20 hours but less than 40 hours a week will accrue annual leave on a pro-rated basis. Employees can carryover up to 30 days of annual leave from one fiscal year to another. Any leave in excess of 240 hours will be converted to sick leave. The employee or the employee's estate will be paid for each day of unused annual leave at the time of the employee's voluntary or involuntary termination, retirement, death, or total disability up to a maximum of 30 days plus the number of days accrued and unused during the current calendar year.

Full-time classified employees are entitled to accumulate sick leave at a rate of 18 days per year, and it may be accrued from year to year until the employee's termination or retirement. Part-time classified employees working more than 20 hours but less than 40 hours a week will accrue sick leave on a pro-rated basis.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. For bonds issued after GASB Statement No. 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. For fund financial reporting, bond premiums, discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source, net of the applicable premium or discount.

**Fund Balance Classification Policies and Procedures:** In the governmental fund financial statements, fund balance is reported in five classifications:

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; for example, inventories, prepaid amounts, long term amount of loans and note receivable or (b) legally or contractually required to be maintained intact; for example, debt service reserves. The County has no nonspendable fund balance at June 30, 2017.

**Restricted** – This classification includes amounts that are restricted to a specific purpose. Fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants) grantors, contributors, or laws or regulations of other governments; (b) enabling legislation, as the term is used authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The County has \$17,549,040 in restricted fund balances at June 30, 2017.

**STATE OF NEW MEXICO**  
Rio Arriba County  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Fund Equity (continued)*

**Committed** – This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the Board of County Commissioners, the County’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specific use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit those amounts. The County has \$6,452,903 in committed funds at June 30, 2017 for County funded capital projects.

**Assigned** – This classification includes amounts that are constrained by the County’s *intent* to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The Board of County Commissioners has delegated the authority to assign amounts to be used for specific purposes to the County Manager and the Director of Finance. The County no assigned fund balances at June 30, 2017.

**Unassigned** – This classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. The County has \$1,227,899 in unassigned fund balances at June 30, 2017.

**Minimum Fund Balance Policy:** The County’s policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures. At June 30, 2017, the County maintains \$4,387,481 as minimum fund balance.

When expenditures are incurred for purposes for which amounts in any of the spendable fund balance classifications could be used, it is the County’s policy to use committed amounts first, followed by assigned amounts and then unassigned amounts.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Equity Classifications**

*Government –Wide Statements*

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

- a. Net investment in capital assets: Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position: Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, capital projects and debt service funds” are described on pages 40 and 92-97.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Fund Equity (continued)*

c. Unrestricted net position: All other net position amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the County are management’s estimate of estimated useful lives, net pension liability and related deferred inflows and outflows of resources, allowance for doubtful accounts, and the current portion of accrued compensated absences.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration.

Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund. These budgets are prepared on the Non-GAAP budgetary basis and secure appropriation of funds for only one year. The expenditures on the budgetary basis exclude encumbrances. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	<b>Excess (deficiency) of revenues over expenditures</b>	
General Fund	\$ (122,262)	\$ (103,974)
Indigent Fund	\$ (2,425,759)	\$ (2,028,140)
Landfill Closure Fund	\$ (86,932)	\$ (86,932)
County Funded Capital Projects Fund	\$ (5,728,629)	\$ (5,728,629)
Other Governmental Funds	\$ (7,952,509)	\$ (10,010,222)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non- GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

**STATE OF NEW MEXICO**  
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**NOTE 2. Stewardship, Compliance and Accountability (continued)**

*Budgetary Information (continued)*

Since accounting principles applied for the purpose of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2017 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

**NOTE 3. Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The County is authorized under the provision of Section 6-10-10, NMSA 1978, as amended, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States of America. Local public finance officials may also place deposits with the State Treasurer's Local Government Investment Pool pursuant to Sections 6-10-10.1 and 6-10-36 NMSA 1978.

Pursuant to Section 6-10-36 NMSA 1978, deposits of funds may be made in: (1) non-interest bearing checking accounts within the geographical boundaries of the County, to the extent the deposits are insured by an agency of the United States, or (2) in interest bearing deposits in one or more banks or savings and loan associations, or credit unions within the geographical boundaries of the County, that have qualified as public depositories by reason of insurance of the account by an agency of the United States or by depositing collateral security or by giving bond as provided by law.

Section 6-10-17 of NMSA 1978, requires that 50% of the balance of all deposits not insured by the FDIC, in banks or savings and loan associations must be collateralized by securities specified in Section 6-10-16 NMSA 1978. According to the statute, securities that are obligations of the state of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be accepted as security at par value. All other securities allowed by the statute shall be accepted as security at market value.

All of the County's accounts at an insured depository institution, including non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation up to the standard maximum deposit insurance amount of \$250,000.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2017, \$20,899,637 of the County's bank balances totaling \$26,571,120 was exposed to custodial credit risk. Although the \$20,899,637 was uninsured, \$17,797,539 of it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. \$3,102,098 of the County's deposits were uninsured and uncollateralized as of June 30, 2017.

**STATE OF NEW MEXICO**  
Rio Arriba County  
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June 30, 2017

**NOTE 3. Deposits and Investments (continued)**

	<b>New Mexico Bank &amp; Trust</b>	<b>Bank of the West</b>	<b>Sunflower Bank</b>	<b>Century Bank</b>
Amount of deposits	\$ 14,929,973	\$ 1,068,477	\$ 3,098,816	\$ 5,058,242
FDIC coverage	(1,252,971)	(250,000)	(1,307,143)	(500,000)
Total uninsured public funds	<u>13,677,002</u>	<u>818,477</u>	<u>1,791,673</u>	<u>4,558,242</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	11,692,378	818,477	1,791,673	3,440,768
Uninsured and uncollateralized	<u>\$ 1,984,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,117,474</u>
Collateral requirement (50%)	\$ 6,838,501	\$ 409,239	\$ 895,837	\$ 2,279,121
Pledged securities	11,692,378	919,651	7,830,569	3,440,768
Over (under) collateralized	<u>\$ 4,853,877</u>	<u>\$ 510,412</u>	<u>\$ 6,934,732</u>	<u>\$ 1,161,647</u>
	<b>Washington Federal</b>	<b>Wells Fargo</b>	<b>SouthWest Capital Bank</b>	<b>Total</b>
Amount of deposits	\$ 304,243	\$ 110,013	\$ 2,004,356	\$ 26,574,120
FDIC coverage	(250,000)	(110,013)	(2,004,356)	(5,674,483)
Total uninsured public funds	<u>54,243</u>	<u>-</u>	<u>-</u>	<u>20,899,637</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	54,243	-	-	17,797,539
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,102,098</u>
Collateral requirement (50%)	\$ 27,122	\$ -	\$ -	\$ 10,449,820
Pledged securities	85,636	-	-	23,969,002
Over (under) collateralized	<u>\$ 58,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,519,182</u>

The collateral pledged is listed on Schedule III on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, school district or political subdivision of the State of New Mexico.

The investments are listed on Schedule IV of this report. At year end June 30, 2017, there were \$8,272,197 of certificates of deposit, classified as investments at Exhibit B-1.



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**NOTE 3. Deposits and Investments (continued)**

Reconciliation to the Statement of Net Position

Cash and cash equivalents- per Exhibit A-1	\$ 14,903,826
Investments-per Exhibit A-1	8,471,660
Restricted cash and cash equivalents-per Exhibit A-1	55,244
Restricted investments-per Exhibit A-1	198,333
Cash and cash equivalents- Statement of Fiduciary Assets and Liabilities- per Exhibit D-1	537,994
 Total cash and cash equivalents	 24,167,057
 Less: restricted cash	 (55,244)
Less: investments with NMFA	(198,333)
Add: reconciling items	2,661,770
Less: State of NM LGIP	(1,130)
 Bank balance of deposits	 \$ 26,574,120

Restricted cash represents cash held at NMFA for debt service requirements and consist of U.S. Treasury Money Market Mutual Fund amounts. U. S Treasury Money Market Fund is rated Aaa by Standard and Poor's. There was no interest rate risk associated with the U.S Treasury Money Market Mutual Fund amounts at June 30, 2017. These accounts are classified as cash equivalents on the statement of net position due to their original weighted average maturity of less than 90 days.

**Investments**

Credit Risk

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The LGIP's investments are monitored by the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

**STATE OF NEW MEXICO**  
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**NOTE 3. Deposits and Investments (continued)**

As of June 30, 2017, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Local Government Investment Pool	AAAm **	\$ 1,130	WAM (R) 58 day and WAM (F) 106 day
U.S. Treasury Money Market Mutual Funds	Aaa *	<u>198,333</u>	>365 days
Total investments		<u>\$ 199,463</u>	

\*Rating based on Moody's rating

\*\*Based off Standard & Poor's rating

**Concentration of Credit Risk**

The County's investment policy places no limit on the amount the County may invest in any one issuer. The County's investments are in Certificates of Deposit with the County's local banks with the average maturity being one year.

*Interest Rate Risk – Investments.* The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

*Concentration of Credit Risk – Investments.* For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the County. Since the County only purchases investments with the highest credit rating, concentration of credit risk is not viewed to be an additional risk by the County. The County's policy related to concentration of credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts.

**Fair Value Measurement**

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

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**NOTE 3. Deposits and Investments (continued)**

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the County believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The County maintained a balance of \$1,130 in LGIP and \$198,333 in U.S Treasury Money Market Mutual Funds at year end which required fair value disclosure.

The following table sets forth by level within the fair value hierarchy, the County's assets at fair value as of June 30, 2017:

<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
\$ 198,333	\$ 198,333	\$ -	\$ -

**STATE OF NEW MEXICO**  
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**NOTE 4. Receivables**

Receivables as of June 30, 2017 for the primary government are as follows:

	<u>General</u>	<u>Indigent</u>	<u>County Funded Capital Projects</u>	<u>Landfill Closure Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 1,587,765	\$ -	\$ -	\$ -	\$ -	\$ 1,587,765
Allowance	(514,211)	-	-	-	-	(514,211)
Other taxes:						
Oil and gas taxes	565,273	15,603	-	-	-	580,876
Motor vehicle taxes	13,568	-	-	-	-	13,568
Gross receipts taxes	211,668	79,441	90,249	-	325,718	707,076
Intergovernmental:						
State	-	-	-	-	502,091	502,091
Federal	-	-	-	-	59,784	59,784
NCSWA Loan	-	-	-	654,205	-	654,205
<b>Totals</b>	<u><u>\$ 1,864,063</u></u>	<u><u>\$ 95,044</u></u>	<u><u>\$ 90,249</u></u>	<u><u>\$ 654,205</u></u>	<u><u>\$ 887,593</u></u>	<u><u>\$ 3,591,154</u></u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$434,370 that were not collected within the period of availability have been reclassified as deferred inflow in the governmental fund financial statements.

The loan receivable relates to an agreement with the North Central Solid Waste Authority to act as fiscal agent for the NCSWA (See Schedule VIII). This receivable corresponds to outstanding fiscal agent fees that are unpaid by NCSWA through June 30, 2017. NCSWA has agreed to pay \$53,000 per year until the entire amount is paid.

**STATE OF NEW MEXICO**  
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**NOTE 5. Interfund Transfers**

Transfers are made to various funds to supplement the costs of risk management insurance and to enable funds to operate until reimbursement is received. Interfund transfers are composed of the following for the year ended June 30, 2017:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Senior Citizen Program	\$ 867,300
General Fund	Solid Waste	100,000
General Fund	DWI Grants	171,205
General Fund	Summer Food Program	89,532
General Fund	Farm and Range Improvement	30,500
General Fund	NM State Library	2,158
General Fund	Sheriff Grants	5,928
General Fund	Rural Health Network	8,000
General Fund	Behavioral Health Grants	123,091
General Fund	National Council of Aging	51,784
General Fund	RAJJB	26,896
General Fund	Senior Appropriations	26,039
General Fund	2014 State Appropriation Capital Projects	116,742
2015 State Appropriation Capital Projects	General Fund	49,934
Senior Appropriations	General Fund	543,706
Summer Food Program	General Fund	49,841
Sheriff Grants	General Fund	2,530
Rural Health Network	General Fund	6,635
Farm and Range Improvement	General Fund	3,112
Fire Department Fund	Fire District Bond Funds	176,373
		<u>\$ 2,451,306</u>

**STATE OF NEW MEXICO**  
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**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2017. Land, construction in progress, works of art, book collections, and water rights are not being depreciated.

	<b>Balance June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2017</b>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 14,237,260	\$ 35,863	\$ -	\$ 14,273,123
Construction in Progress	3,220,060	5,418	(3,210,260)	15,218
Works of Art	180,000	-	-	180,000
Book Collections	10,000	-	-	10,000
Water Rights	290,674	-	-	290,674
Total capital assets not being depreciated	<u>17,937,994</u>	<u>41,281</u>	<u>(3,210,260)</u>	<u>14,769,015</u>
Capital assets being depreciated:				
Buildings and building improvements	75,111,457	4,017,798	(2,016)	79,127,239
Land improvements	6,293,450	225,305	-	6,518,755
Infrastructure	15,883,719	564,014	-	16,447,733
Machinery and equipment	26,420,948	1,220,939	(528,170)	27,113,717
Total capital assets being depreciated	<u>123,709,574</u>	<u>6,028,056</u>	<u>(530,186)</u>	<u>129,207,444</u>
Total assets	<u>141,647,568</u>	<u>6,069,337</u>	<u>(3,740,446)</u>	<u>143,976,459</u>
Less accumulated depreciation:				
Buildings and building improvements	24,417,487	1,921,049	(2,016)	26,336,520
Land improvements	1,755,921	299,358	-	2,055,279
Infrastructure	8,896,090	462,266	-	9,358,356
Machinery and equipment	18,797,859	1,560,736	(528,170)	19,830,425
Total accumulated depreciation	<u>53,867,356</u>	<u>4,243,409</u>	<u>(530,186)</u>	<u>57,580,579</u>
Total capital assets, net of depreciation	<u>\$ 87,780,212</u>	<u>\$ 1,825,928</u>	<u>\$ (3,210,260)</u>	<u>\$ 86,395,880</u>

Depreciation expense for the year ended June 30, 2017 was charged to the following functions for governmental activities:

<b>Governmental activities:</b>	
General government	\$ 943,689
Public safety	1,298,659
Culture and recreation	591,216
Public works	830,547
Health and welfare	579,298
Total	<u>\$ 4,243,409</u>

**STATE OF NEW MEXICO**  
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**NOTE 7. Long-term Debt**

During the year ended June 30, 2017, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due Within</u> <u>One Year</u>
Bonds	\$ 4,436,530	\$ -	\$ 200,184	\$ 4,236,346	\$ 206,621
NMFA Loans	3,334,749	-	108,450	3,226,299	109,940
Compensated Absences	633,491	440,529	471,122	602,898	471,122
Total Long-Term Debt	<u>\$ 8,404,770</u>	<u>\$ 440,529</u>	<u>\$ 779,756</u>	<u>\$ 8,065,543</u>	<u>\$ 787,683</u>

**NMFA Loans**

On September 3, 2010 the County entered into a loan agreement with the NMFA and the proceeds went directly to the North Central Solid Waste Authority as a grant from the County. The original amount of the issue was for \$143,238. The county pledged its GRT revenues to pay for this loan by way of intercept payments. The interest rates range from 1.12% and 2.85% through the life of the loan and matures May of 2020.

On May 17, 2013 the County entered into a loan agreement with NMFA in the amount of \$3,573,105 for purposes of planning, constructing and equipping an archive facility to be located in Tierra Amarilla. The County pledged its GRT revenues to pay for this loan by way of intercept payments. The loan has a blended interest rate of 3.210% throughout the life of the loan and matures in May of 2042.

The annual requirements to amortize the loans described above are as follows:

**New Mexico Finance Authority Loans:**

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2018	\$ 109,940	\$ 103,530	\$ 213,470
2019	111,788	101,728	213,516
2020	113,972	99,543	213,515
2021	90,277	97,061	187,338
2022	92,155	95,183	187,338
2023-2027	500,639	436,051	936,690
2028-2032	593,850	342,841	936,691
2033-2037	724,135	212,558	936,693
2038-2042	889,543	47,147	936,690
	<u>\$ 3,226,299</u>	<u>\$ 1,535,642</u>	<u>\$ 4,761,941</u>

**STATE OF NEW MEXICO**  
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**NOTE 7. Long-term Debt (continued)**

**Gross Receipts Revenue Bonds**

On July 31, 2013 the County issued Gross Receipts Tax Improvement Revenue Bonds Series 2013 for purpose of acquiring, constructing, equipping and improving solid waste facilities and equipment in the County. The County pledged GRT revenues to pay for the loan. The bonds have an interest rate of 3.190% throughout the life of the bonds which are payable through July 1, 2033.

The annual requirements to amortize the bonds described above are as follows:

**Bonds:**

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2018	\$ 206,621	\$ 136,749	\$ 343,370
2019	213,265	130,209	343,474
2020	220,122	123,459	343,581
2021	227,200	116,493	343,693
2022	234,506	109,302	343,808
2023-2027	1,290,601	430,289	1,720,890
2028-2032	1,511,873	212,491	1,724,364
2033-2037	332,158	15,853	348,011
	<u>\$ 4,236,346</u>	<u>\$ 1,274,845</u>	<u>\$ 5,511,191</u>

Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year June 30, 2017, compensated absences decreased by \$30,593. Compensated absences are paid by the fund that they are accrued in, which is typically the General Fund.

**NOTE 8. Risk Management**

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

The County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.



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**NOTE 9. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. The following funds had deficit fund balances at June 30, 2017:

**Governmental Funds**

Sherrif Grants Special Revenue Fund	<u>\$ 201,137</u>
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B. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2017.

C. There were no funds with designated cash appropriations in excess of available balances at June 30, 2017.

**NOTE 10. Public Employees Retirement Association (PERA) Pension Plan**

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

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

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at [http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR\\_12.22.2016\\_FINAL-with-corrections.pdf](http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf).

**Contributions.** The contribution requirements of defined benefit plan members and Rio Arriba County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY16 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 43 of the PERA FY16 annual audit report at [http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR\\_12.22.2016\\_FINAL-with-corrections.pdf](http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf).

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**NOTE 10. Public Employees Retirement Association (PERA) Pension Plan (continued)**

The PERA coverage options that apply to the County are: Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from the County were \$849,028 and \$381,428 for the year ended June 30, 2017.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2016.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. Rio Arriba County's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2016 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Division Municipal General**, at June 30, 2017, Rio Arriba County reported a liability of \$21,133,893 for its proportionate share of the net pension liability. At June 30, 2016, the County's proportion was 1.3228 percent, which was a decrease of 0.0074 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Rio Arriba County recognized PERA Fund Division Municipal General pension expense of \$1,896,628 for the year ended June 30, 2017.

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**NOTE 10. Public Employees Retirement Association (PERA) Pension Plan (continued)**

At June 30, 2017, Rio Arriba County reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion	\$ -	\$ 217,033
Changes of assumption	1,239,255	3,514
Difference between expected and actual experience	1,055,937	206,255
Employer contributions subsequent to measurement date	849,028	-
Net difference between projected and actual investment earnings on pension plan investments	<u>3,888,596</u>	<u>-</u>
Total	<u>\$ 7,032,816</u>	<u>\$ 426,802</u>

For Municipal General, \$849,028 reported as deferred outflows of resources related to pensions resulting from Rio Arriba County contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. There were no other amounts reported as deferred outflows of resources.

Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	(\$1,212,603)
2018	(1,212,603)
2019	(2,349,566)
2020	(982,214)
Thereafter	-

**For PERA Fund Division Municipal Police**, at June 30, 2017, Rio Arriba County reported a liability of \$3,308,428 for its proportionate share of the net pension liability. At June 30, 2017, the County's proportion was 0.4484 percent, which was a decrease of 0.0062 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, Rio Arriba County recognized PERA Fund Division Municipal Police pension expense of \$945,428.

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**NOTE 10. Public Employees Retirement Association (PERA) Pension Plan (continued)**

At June 30, 2017, Rio Arriba County reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion	\$ -	\$ 132,571
Changes of assumption	219,132	59,667
Difference between expected and actual experience	242,887	-
Employer contributions subsequent to measurement date	381,428	-
Net difference between projected and actual investment earnings on pension plan investments	<u>523,247</u>	<u>-</u>
Total	<u>\$ 1,366,694</u>	<u>\$ 192,238</u>

For Municipal Police, \$381,428 reported as deferred outflows of resources related to pensions resulting from Rio Arriba County contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. There were no other amounts reported as deferred outflows of resources.

Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	(\$164,229)
2018	(164,229)
2019	(331,341)
2020	(133,229)
Thereafter	-

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2015 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2015 actuarial valuation.

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**NOTE 10. Public Employees Retirement Association (PERA) Pension Plan (continued)**

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.48% annual rate, net of investment experience
Projected benefit payment	100 years
Payroll growth	2.75% for the first 10 years, then 3.25% all other years
Projected salary increases	2.75% to 14.25% annual rate
Includes inflation at	2.25% annual rate first 10 years, 2.75% all other years
Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience study dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 (economic)

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

The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>ALL FUNDS - Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	43.50%	7.39%
Risk Reduction & Mitigation	21.50	1.79
Credit Oriented Fixed Income	15.00	5.77
Real Assets	<u>20.00</u>	7.35
Total	<u>100.0%</u>	

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**NOTE 10. Public Employees Retirement Association (PERA) Pension Plan (continued)**

**Discount rate:** The discount rate used to measure the total pension liability was 7.48 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present Rio Arriba County's net pension liability in each PERA Fund Division that Rio Arriba County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease (6.48%)</b>	<b>Current Discount Rate (7.48%)</b>	<b>1% Increase (8.48%)</b>
Rio Arriba's proportionate share of the net pension liability	\$31,508,754	\$ 21,133,893	\$12,528,461
<b>PERA Fund Municipal Police Division</b>	<b>1% Decrease (6.48%)</b>	<b>Current Discount Rate (7.48%)</b>	<b>1% Increase (8.48%)</b>
Rio Arriba's proportionate share of the net pension liability	\$4,867,519	\$ 3,308,428	\$2,033,274

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY16 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**Payables to the pension plan.** At June 30, 2017 there were no contributions due and payable to PERA for the County.

**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan**

**Plan Description.** Rio Arriba County 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.

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**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

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 NE, Suite 104, Albuquerque, NM 87107.

*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 [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

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 choose 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.

Rio Arriba County's contributions to the RHCA for the years ended June 30, 2017, 2016, and 2015 were \$202,994, \$207,238, and \$201,001, respectively, which equal the required contributions for each year.

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**NOTE 12. Federal and State Grants**

Rio Arriba County participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, Rio Arriba County may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the grantor agencies. Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of Rio Arriba County.

**NOTE 13. Contingent Liabilities**

The County is party to various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial position of the County, with exception of the item discussed in the next paragraph. The County is insured through the New Mexico County Insurance Authority.

As of the date of this report, the County was engaged in legal proceedings related to a wage dispute with County employees. The case was nearing the end of discovery as of the date of report and is expected to be settled during calendar year 2018. The County believes that it has exposure related to this case that is not covered by the County's insurance policies. However, the County is unable to estimate the settlement as of the date of report.

**NOTE 14. Leases**

There were no capital lease agreements as of June 30, 2017 to which the County was a party.

The County is a party to several operating lease agreements where it is the lessee and is subject to future payments to unrelated parties through June 30, 2019. The amount of the future liability for these leases is disclosed below:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Annual</u> <u>Amount Due</u>
2018	\$ 54,360
2019	<u>54,360</u>
	<u>\$ 108,720</u>

**NOTE 15. Restricted Net Position**

For the primary government, the government-wide statement of net position reports \$20,540,573 of restricted amounts. The special revenue funds have \$13,096,251 which is restricted by enabling legislation, \$362,027 is restricted for debt service requirements, \$7,082,295 for capital projects and \$8,453 is restricted for Section 8 Housing. For descriptions of the related restrictions for net position amounts restricted for special revenue and debt service, see pages 40 and 92-97.



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**NOTE 16. Subsequent Events**

The date to which events occurring after June 30, 2017, have been evaluated for possible adjustment to the financial statements or disclosures is November 29, 2017, which is the date on which the financial statements were issued. No events took place subsequent to year end.

**NOTE 17. Subsequent Pronouncements**

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The County expects this pronouncement to have a material effect on the financial statements.

In December 2015, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plan* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 81 *Irrevocable Split-Interest Agreements*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In January 2017, GASB Statement No. 84 *Fiduciary Activities* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In March 2017, GASB Statement No. 85 *Omnibus 2017* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. 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 County is still evaluating how this pronouncement will affect the financial statements.

In May 2017, GASB Statement No. 86 *Certain Debt Extinguishment Issues* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

In June 2017, GASB Statement No. 87 *Leases* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The County is still evaluating how this pronouncement will affect the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**BUSINESS-TYPE ACTIVITIES**

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies**

The Rio Arriba County Housing Authority (the "Authority") was established in 1978. The Authority's office is located in Española, New Mexico. However, the housing units are located in Tierra Amarilla and Ojo Caliente, New Mexico. The governing body of the Authority consists of the three members of the Rio Arriba County board of commissioners. The Authority manages two low rent public housing developments containing 53 total units and administers Housing and Urban Development's (HUD) Section 8 Housing Choice Voucher housing assistance program. Also, the Authority manages 50 unit apartments for the Truth or Consequences Housing Authority.

The primary goal of the Low Rent Public Housing Program is the provision of a decent home in a suitable living environment for families that cannot afford standard private housing. Under this program, decent, safe and sanitary housing is made available to families having incomes lower than those serviced by Public Housing Agencies (PHA) which are organized and authorized in accordance with State Law to engage or assist in the development of operation of a Low Rent Public Housing Program. The PHA is a local housing authority (LHA) governed by an appointed board of commissioners who employ an administrative staff headed by an executive director.

This summary of significant accounting policies of the Authority is presented to assist in the understanding of the Authority's financial statements. The financial statements and notes are the representation of the Authority's management, who is responsible for their integrity and objectivity. The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

The Authority reports the following major enterprise funds:

- **Low Rent Public Housing Program** – Funded through direct grants from HUD, the program is designed to provide adequate living accommodations to qualified families through reduced rate rentals built and owned by the Authority.
- **Section 8 Housing Choice Voucher Program** – These programs, funded through direct grants from HUD, provide rental assistance to qualified recipients through rent subsidies paid directly to third-party property owners.
- **Public Housing Capital Fund Program** – These programs, funded through direct grants from HUD, account for acquisition of capital assets or construction of capital projects.

*A. Financial Reporting Entity*

In evaluating how to define the Housing Authority for financial reporting purposes, management has considered all potential programs and operations of the Housing Authority. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, and GASB Statement No. 80. 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 the governing board by the Housing Authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion is the scope of public service.

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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*A. Financial Reporting Entity (continued)*

Application of this criterion involves considering whether the activity benefits the Housing Authority and/or its residents and participants, or whether the activity is conducted within the geographic boundaries of the Housing Authority and is generally available to its residents and participants.

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 Authority is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Authority has no component units; however, the Authority is a component unit of Rio Arriba County as the County has operational responsibility over the Authority and is governed by the same governing authority.

Rio Arriba County issues separately audited financial statements. Additional information regarding Rio Arriba County may be obtained directly from their administrative office as follows: Rio Arriba County Finance Department, Rio Arriba County Seat, State Rd. 162 #149, Tierra Amarilla, New Mexico 87575.

*B. Basis of Accounting and Measurement Focus*

The Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth or adopted by the Governmental Accounting Standards Board ("GASB") and the Financial Accounting Standards Board ("FASB"), and their predecessors, the National Council on Governmental Accounting ("NCGA") and the Accounting Principles Board ("APB"), respectively. Generally accepted accounting principles for local governments include those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The Authority's proprietary (enterprise) funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and all liabilities associated with the operations are included on the balance sheet. Net Position (i.e., total assets net of total liabilities) is segregated into invested in capital assets, net of related debt; restricted; and unrestricted components.

All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for rent and services and operating grants. Operating expenses for enterprise funds include personnel services, contractual services, other administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. There are no fiduciary funds included in the Authority's financial statements.

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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*B. Basis of Accounting and Measurement Focus (continued)*

The Housing Authority's cash flow statement includes changes in both operating cash and restricted cash and cash equivalents.

**Revenue Recognition:** Dwelling rental revenues are recorded as rentals become due. Rental payments received in advance are deferred until earned. Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Authority has entered into contracts with HUD to develop, manage and own public housing projects and to administer the federal Section 8 Housing Choice Vouchers Program, whereby monthly housing assistance payments are made to landlords on behalf of eligible lower income individuals and families. HUD makes monthly operating subsidy contributions within the public housing program and monthly contributions for housing assistance payments and administration fees for the Section 8 Housing Choice Vouchers Program. Such contributions are reflected as operating grants revenue. Contributions received from HUD for capital additions and improvements are reported as capital grants revenue.

*C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position*

**Cash and Cash Equivalents and Investments:** The Authority is authorized under the provisions of 6-10-10 NMSA 1978, as amended, to deposit its money in banks, savings and loan association and/or credit unions whose accounts are insured by an Agency of the United States. The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**Restricted Cash and Cash Equivalents:** Certain resources set aside in escrow for security deposits of \$6,403, held as insurance against the non-payment for services rendered, are classified on the Statement of Net Position as restricted because their use is limited. In addition, resources are also set aside for Housing Assistance Payments (HAP) of \$8,932, as the use of those funds is restricted by enabling legislation.

Before any local funds are invested or reinvested for the purpose of short-term investment pursuant to Section 6-10-10.1 NMSA 1978, as amended, the local public body finance official shall notify and make such funds available to banks, savings and loan associations and credit unions located within the geographical boundaries of their respective governmental unit, subject to the limitation on credit union accounts. To be eligible for such funds, the financial institution shall pay to the local public body the rate established by the state treasurer pursuant to a policy adopted by the State Board of Finance for such short-term investments.

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. Currently, state statutes require that a minimum of fifty percent (50%) of balances on deposit with any one institution must be collateralized, with higher requirements up to one hundred percent (100%) for financially troubled institutions. However, any portion of PHA/IHA funds not insured by a Federal insurance organization shall be fully 100% and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD. All securities pledged are reported at market value.

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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)*

**Accounts Receivable and Accounts Payable:** All receivables, including tenant receivables, are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Accounts are estimated to be uncollectible if they are outstanding for greater than one month. Payables are comprised of unpaid vendor and supplier invoices and are recognized when incurred.

**Fair Value Measurements:** The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). As of June 30, 2017, there are no items required to be valued using valuation techniques.

**Prepaid Expenses:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Authority's financial statements.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year, unless stated otherwise by HUD. The Authority does have an exception for purchases made under Capital Fund Projects. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.2.20.1.9 C (5). Contributed capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Depreciation is recorded using the straight-line method based on the estimated useful life of the asset. The following lives are utilized:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5 - 40
Machinery and equipment	3 - 15

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time.

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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)*

The Housing Authority has five types of items that qualify for reporting in this category. Accordingly, the items, employer contributions subsequent to measurement date of \$10,876, changes in proportion of \$10,303, changes in assumptions of \$12,460, the difference between expected and actual experience \$10,616, and net difference between projected and actual investment earnings of \$40,631 are reported in the Statement of Net Position. These amounts are deferred and recognized as an outflows of resources in future periods.

**Accrued Expenses:** Accrued expenses are comprised of accrued salaries, wages, related employment taxes and current and noncurrent maturities of compensated absences, discussed more fully below.

**Compensated Absences:** Employees of the Authority are entitled to be compensated for accrued vacation time off, which is reported as an expense and a liability of the program that will fund it. There is a cap of 240 hours of vacation leave that an employee is permitted to accrue. When an employee separates from employment with the Authority in good standing, the employee is eligible to receive payment for accrued time remaining.

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflows of resources. The Housing Authority has four types of items that qualify for reporting in this category. Accordingly, the items, changes in proportion of \$17,383, difference between projected and actual experience of \$2,074, changes of assumptions of \$35, and net difference between projected and actual investment earnings of \$1,533 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

**Net Position:** Net Position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components:

- Net investment in capital assets – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)*

- Restricted Net Position – Net Position is reported as restricted when constraints placed on use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – Net Position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Unrestricted and Restricted Resources:** When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

**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 certain reported amounts and disclosures such as the lives of capital assets. Accordingly, actual results could differ from those estimates. Significant estimates in the Authority’s financial statements include depreciation on capital assets, the current portion of accrued compensated absences, the net pension liability and related deferred inflows and outflows of resources and the allowance for uncollectible accounts.

*D. New Accounting Standards Adopted*

During the year ended June 30, 2017, the Housing Authority adopted GASB Statement No. 77 Tax Abatement Disclosures and GASB Statement No. 80 Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14. These two Statements are required to be implemented as of June 30, 2017, if applicable. These implementation of these statements did not have a significant impact on the Housing Authority because they had no tax abatements for disclosure and no component units to report under the blending requirements of Statement No. 80.

*E. Budgets*

The Authority’s Commission is required to obtain approval from HUD for any revisions to the budgets that alter the total expenditures, at the legal level of budgetary control, which is at the grant program level. HUD program budgets are prepared on a regulatory basis which is comparable to the GAAP basis except for the omission of depreciation. Budgetary data for the Authority’s programs are prepared on a calendar year basis. HUD does not require the presentation of the budgets in the audit report. The inclusion of the budget in the audit report would be misleading as the audit report is as of June 30, 2017 and the HUD budget period is not complete as of that date.

**NOTE 2. Deposits and Investments**

State Statutes authorize the investment of Authority funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the Authority properly followed State investment requirements as of June 30, 2017.



**STATE OF NEW MEXICO**  
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**NOTE 2. Deposits and Investments (continued)**

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Authority. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

All of the Authority's accounts are at located at an insured depository institution, including non-interest bearing accounts which are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts.

**Custodial Credit Risk - Deposits**

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). At June 30, 2017, none of the Authority's bank balance of \$290,582 was exposed to custodial credit risk.

Section 6-10-17, New Mexico Statutes Annotated, 1978 Compilation states the types of collateral allowed is limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico. All bank balances were fully covered by the FDIC as of June 30, 2017.

	<b>Century Bank</b>	<b>Total</b>
Total amount of deposits	\$ 290,582	\$ 290,582
FDIC Coverage	(290,582)	(290,582)
Total uninsured public funds	-	-
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Authority's name	-	-
Uninsured and uncollateralized	-	-
Collateral requirement (100% of uninsured funds)	-	-
Pledged securities	-	-
Over (under) collateralized	\$ -	\$ -

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to the Financial Statements  
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 June 30, 2017

**NOTE 2. Deposits and Investments (continued)**

**Reconciliation to Statement of Net Position**

The carrying amount of deposits and investments shown above are included in the Authority's Statement of Net Position as follows:

Cash and cash equivalents	\$ 210,353
Investments	59,498
Restricted cash and cash equivalents	<u>14,856</u>
Total cash, investments, and cash equivalents	284,707
Add: outstanding checks	<u>5,875</u>
Bank balance of deposits	<u><u>\$ 290,582</u></u>

**NOTE 3. Accounts Receivable**

Receivables as of June 30, 2017, are as follows:

Grant receivables, current and noncurrent	\$ 343,192
Tenant receivables	22,519
Other Receivables	6,869
Allowance for doubtful accounts - tenants	<u>(18,418)</u>
Total	<u><u>\$ 354,162</u></u>

Of the receivables presented above, \$213,127 is not expected to be collected by June 30, 2017. As such, they are classified as noncurrent assets on the statement of Net Position, Exhibit A-1.

**NOTE 4. Interfund Receivables, Payables, and Transfers**

The Authority records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. All interfund balances are to be repaid within one year. These are reported as "Due from other funds" and "Due to other funds" on the Statement of Net Position.

The composition of interfund balances during the year ended June 30, 2017 is as follows:

<b>Due from other funds</b>	<b>Due to other funds</b>	
Low Rent Public Housing Program	Section 8 Housing Choice Vouchers Program	<u><u>\$ 1,085</u></u>

**STATE OF NEW MEXICO**  
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 June 30, 2017

**NOTE 5. Capital Assets**

The following summary of capital assets and changes occurred during the year ended June 30, 2017. Land is not subject to depreciation.

	<b>Balance June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2017</b>
Capital assets, not depreciated:				
Land	\$ 109,735	\$ -	\$ -	\$ 109,735
Construction in progress	-	14,192	-	14,192
Total capital assets, not depreciated	<u>109,735</u>	<u>14,192</u>	<u>-</u>	<u>123,927</u>
Capital assets, depreciated:				
Buildings and improvements	5,508,548	-	-	5,508,548
Machinery and equipment	193,922	-	-	193,922
Total capital assets, depreciated	<u>5,702,470</u>	<u>-</u>	<u>-</u>	<u>5,702,470</u>
Less accumulated depreciation:				
Buildings and improvements	4,519,164	160,254	-	4,679,418
Machinery and equipment	143,625	11,431	-	155,056
Total accumulated depreciation	<u>4,662,789</u>	<u>171,685</u>	<u>-</u>	<u>4,834,474</u>
Net book value	<u>\$ 1,149,416</u>	<u>\$ (157,493)</u>	<u>\$ -</u>	<u>\$ 991,923</u>

Depreciation expense for the year ended June 30, 2017 totaled \$171,685.

**NOTE 6. Long-Term Liabilities**

The following summarizes changes in long-term liabilities during the fiscal year ended June 30, 2017. Compensated absences are typically liquidated through the Low Rent Public Housing Program. However, \$991 of the balance was allocated to the Section 8 Housing Choice Voucher Program in fiscal year 2017.

	<b>Balance, June 30, 2016</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, June 30, 2017</b>	<b>Due Within One Year</b>
Compensated absences	<u>\$ 13,998</u>	<u>\$ 8,760</u>	<u>\$ 8,672</u>	<u>\$ 14,086</u>	<u>\$ 9,299</u>

**STATE OF NEW MEXICO**  
Rio Arriba County  
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June 30, 2017

**NOTE 7. Public Employees Retirement Association (PERA) Pension Plan**

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

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

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at [http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR\\_12.22.2016\\_FINAL-with-corrections.pdf](http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf).

Contributions. The contribution requirements of defined benefit plan members and the Rio Arriba County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY17 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY15 annual audit report at [http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR\\_12.22.2016\\_FINAL-with-corrections.pdf](http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf).

The PERA coverage option that applies to Rio Arriba County Housing Authority is: Municipal General Division. Statutorily required contributions to the pension plan from Rio Arriba County Housing Authority were \$10,876 for the year ended June 30, 2017 and there were no employer paid members benefits that were “picked up” by the employer for the year ended June 30, 2017.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2016.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members.

**STATE OF NEW MEXICO**  
Rio Arriba County  
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June 30, 2017

**NOTE 7. Public Employees Retirement Association (PERA) Pension Plan (continued)**

Rio Arriba County Housing Authority's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to fiscal year 2016 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Division Municipal General**, at June 30, 2017, Rio Arriba County Housing Authority reported a liability of \$212,487 for its proportionate share of the net pension liability. At June 30, 2016, the Housing Authority's proportion was 0.0133 percent, which was a 0.0022 percent decrease from its proportion measured as of June 30, 2015 of 0.0155.

For the year ended June 30, 2017, Rio Arriba County Housing Authority recognized PERA Fund Division Municipal General pension expense of \$24,211. At June 30, 2017, Rio Arriba County Housing Authority reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 12,460	\$ 35
Net difference between projected and actual earnings on pension plan investments	40,631	1,533
Changes in proportion and differences between Rio Arriba County Housing Authority's contributions and proportionate share of contributions	10,303	17,383
Actuarial experience	10,616	2,074
Rio Arriba County Housing Authority's contributions subsequent to the measurement date	10,876	-
Total	\$ 84,886	\$ 21,025

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to the Financial Statements  
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 June 30, 2017

**NOTE 7. Public Employees Retirement Association (PERA) Pension Plan (continued)**

\$10,876 reported as deferred outflows of resources related to pensions resulting from Rio Arriba County Housing Authority contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ (12,093)
2019	(12,093)
2020	(19,414)
2021	(9,385)
2022	-
Thereafter	-

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2015 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2015, actuarial valuation.

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.48% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for the first 10 years, then 3.25% all other years
Projected salary increases	2.75% to 14.25% annual rate
Includes inflation at	2.25% annual rate for first 10 years, 2.75% all other years
Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience study dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 (economic)

**STATE OF NEW MEXICO**  
 Rio Arriba County  
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 June 30, 2017

**NOTE 7. Public Employees Retirement Association (PERA) Pension Plan (continued)**

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.50%	7.39%
Risk Reduction & Mitigation	21.50	1.79
Credit Oriented Fixed Income	15.00	5.77
Real Assets	20.00	7.35
Total	100.00%	

**Discount rate:** The discount rate used to measure the total pension liability was 7.48 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Housing Authority's proportionate share of the net pension liability to changes in the discount rate.** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Rio Arriba County Housing Authority's net pension liability in each PERA Fund Division that Rio Arriba County Housing Authority participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

PERA Fund Municipal General Division	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Rio Arriba County Housing Authority's proportionate share of the net pension liability	\$ 316,803	\$ 212,489	\$ 125,966

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY15 Restated PERA financial report. The report is available at: <http://www.pera.state.nm.us/publications.html>

**STATE OF NEW MEXICO**  
Rio Arriba County  
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**NOTE 8. Contingent Liabilities**

*Legal Proceedings* — The Authority is subject to various legal proceedings that arise in the ordinary course of the Authority's operations. In the opinion of the Authority's management, the ultimate resolution of the matters will not have a material adverse impact on the financial position or results of operations of the Authority.

*Federal Grants* — The Authority receives federal grants for various specific purposes. These grants are subject to audit, which may result in requests for reimbursements to granting agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowance, if any, will not be material to the financial statements.

**NOTE 9. Risk Management**

Rio Arriba County Housing Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets: errors and omissions: injuries to employees: and natural disasters. The Authority has joined together with other housing authorities throughout the country and obtained insurance through the Housing Authority Insurance Group, a housing authority risk pool currently operating as a common risk management and insurance program for member units. The Authority pays an annual premium to the Housing Authority Insurance Group for its general insurance coverage and all risk of loss is transferred to the risk pool.

**NOTE 10. Post-Employment Benefits**

The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The New Mexico Retiree Health Care Authority is the administrator of the plan. The purpose is to provide eligible retirees, their spouses, surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the New Mexico Retiree Health Care Fund and by co-payments of out-of-pocket payments of eligible retirees. As authorized under Section 9D of Chapter 6, Laws of 1990, the Authority has elected not to participate in the program by adoption of an ordinance.

**NOTE 11. Concentrations**

Approximately 58% of total revenues of the Authority are received directly from the United States Department of Housing and Urban Development, for operations and administration of programs directed by the Department. Receipt of these funds is contingent upon the Authority's continued compliance with grant provisions and the continuance of the grant programs by this U.S. Governmental agency.

**NOTE 12. Subsequent Events**

The date to which events occurring after June 30, 2017, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 29, 2017 which is the date on which the financial statements were issued. No events took place subsequent to year end.



**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to the Financial Statements  
Business-type Activities  
June 30, 2017

**NOTE 13. Related Party**

Rio Arriba County Housing Authority has entered into a Property Management Agreement with the Truth or Consequences Housing Authority to manage, rent, lease, and operate the Villa Del Norte Apartments, located at 737 La Joya St. NE, Española, NM on behalf Truth or Consequences Housing Authority. The term of the agreement has been renewed through December 31, 2017, and is typically renewed on an annual basis. The U.S. Department of Housing and Urban Development has approved this agreement. Rio Arriba County Housing Authority receives management fees in the amount of \$14.40 per unit per month leased plus Management wages. For the year ended June 30, 2017, total management fee income was \$82,120.

**NOTE 14. Subsequent Pronouncements**

In June 2015, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The Housing Authority does not expect this pronouncement to have a material effect on the financial statements as they do not participate in such a plan.

In March 2016, GASB Statement No. 81, Irrevocable Split-Interest Agreements was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

In November 2016, GASB Statement No. 83, Certain Asset Retirement Obligations was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

In January 2017, GASB Statement No. 84, Fiduciary Activities was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

In March 2017, GASB Statement No. 85, Omnibus 2017 was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. 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 Housing Authority is still evaluating how this pronouncement will affect the financial statements.

In May 2017, GASB Statement No. 86, Certain Debt Extinguishment Issues was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

In June 2017, GASB Statement No. 87, Leases was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to the Financial Statements  
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June 30, 2017

**NOTE 15. Prior Period Restatement**

During the fiscal year ended June 30, 2017, the Housing Authority identified revenues related to prior periods that were owed to the Housing Authority by a tenant receiving assistance from the Low Rent Public Housing program. This resulted in an increase in beginning net position of \$17,607 due to unrecorded revenues. A corresponding amount was also recorded as a receivable during the year ended June 30, 2017 and written off to bad debt expenses at June 30, 2017.

During the fiscal year ended June 30, 2017, the Housing Authority voided checks that were issued on the behalf of tenants participating in the Housing Choice Voucher Program. The checks were issued in prior periods and were voided as these tenants were absorbed by another Public Housing Authority. This resulted in an increase in beginning net position of \$17,607 due to unrecorded revenues.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**

Rio Arriba County

Schedule I

Page 1 of 2

Schedule of the County's Proportionate Share of the Net Pension Liability  
of PERA Fund Municipal General Division  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	<b>2017 Measurement Date (As of and for the Year Ended June 30, 2016)</b>	<b>2016 Measurement Date (As of and for the Year Ended June 30, 2015)</b>	<b>2015 Measurement Date (As of and for the Year Ended June 30, 2014)</b>
Rio Arriba County's proportion of the net pension liability	1.3228%	1.3302%	1.3579%
Rio Arriba County's proportionate share of the net pension liability	\$ 21,133,893	\$ 13,562,542	\$ 10,593,077
Rio Arriba County's covered payroll	\$ 7,401,984	\$ 7,043,138	\$ 6,791,648
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered-payroll	285.52%	192.56%	155.97%
Plan fiduciary net position as a percentage of the total pension liability	69.18%	76.99%	81.29%

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

See independent auditors' report.  
See notes to required supplementary information.

**STATE OF NEW MEXICO**

Rio Arriba County

Schedule I

Page 2 of 2

Schedule of the County's Proportionate Share of the Net Pension Liability  
of PERA Fund Municipal Police Division  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	<b>2017 Measurement Date (As of and for the Year Ended June 30, 2016)</b>	<b>2016 Measurement Date (As of and for the Year Ended June 30, 2015)</b>	<b>2015 Measurement Date (As of and for the Year Ended June 30, 2014)</b>
Rio Arriba County's proportion of the net pension liability	0.4484%	0.4546%	0.4989%
Rio Arriba County's proportionate share of the net pension liability	\$ 3,308,428	\$ 2,185,972	\$ 1,626,360
Rio Arriba County's covered payroll	\$ 2,096,194	\$ 2,210,948	\$ 2,056,163
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered-payroll	157.83%	98.87%	79.10%
Plan fiduciary net position as a percentage of the total pension liability	69.18%	76.99%	81.29%

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

See independent auditors' report.  
See notes to required supplementary information.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule the County's Contributions  
 Public Employees Retirement Association (PERA) Plan  
 PERA Fund Municipal General Division  
 Last 10 Fiscal Years\*

	<u>As of and for the Year Ended June 30, 2017</u>	<u>As of and for the Year Ended June 30, 2016</u>	<u>As of and for the Year Ended June 30, 2015</u>
Contractually required contribution	\$ 849,028	\$ 891,939	\$ 848,698
Contributions in relation to the contractually required contribution	<u>(849,028)</u>	<u>(891,939)</u>	<u>(848,698)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	\$ 7,045,872	\$ 7,401,984	\$ 7,043,138
Contributions as a percentage of covered payroll	12.05%	12.05%	12.05%

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

See independent auditors' report.  
 See notes to required supplementary information.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of the County's Contributions  
 Public Employees Retirement Association (PERA) Plan  
 PERA Fund Municipal Police Division  
 Last 10 Fiscal Years\*

	<u>As of and for the Year Ended June 30, 2017</u>	<u>As of and for the Year Ended June 30, 2016</u>	<u>As of and for the Year Ended June 30, 2015</u>
Contractually required contribution	\$ 381,428	\$ 374,023	\$ 378,219
Contributions in relation to the contractually required contribution	<u>(381,428)</u>	<u>(374,023)</u>	<u>(378,219)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	\$ 2,129,148	\$ 2,096,194	\$ 2,210,948
Contributions as a percentage of covered payroll	17.91%	17.84%	17.11%

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

See independent auditors' report.  
 See notes to required supplementary information.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2017

***Changes of benefit terms.*** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY16 audit available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

***Changes of assumptions.*** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at <http://s3.amazonaws.com/boardaudio/Final-Version-2016-PERA-GASB-68-Report.pdf> See the notes to the financial statements on the CAFR pages 74-76 which summarizes actuarial assumptions and methods effective with the June 30, 2016 valuation.

See independent auditors' report.  
See notes to required supplementary information.



## **SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS**

2201 – Jail Operations Fund – To account for Detention Center expenditures. Funding is provided from Correction Fees. (Authority: NMSA 3-3-25)

2202 – Solid Waste – Rio Arriba County, working in a Memorandum of Agreement with its North Central Solid Waste Authority to provide solid waste collection, removal and disposal services. Funding is provided by Gross Receipts Tax Revenue (Authority: 7-20E-17 & 7-19D-10)

2203 – County Property Evaluation – The County established the fund to account for expenditures for training and other expenditures pertaining to the County Evaluation Program. A 1% administrative fee on property tax distributions provides funds (Authority: NMSA 7-38-38.1)

2204 – County Road Projects – The County established this fund to account for road projects in Rio Arriba County, New Mexico. (Authority: NMSA 67-3-28.2)

2207 – Emergency Communication/EMS – Established to account for expenditures related to 911 Center Operations and Emergency Medical Services. Funding is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20E-12)

2208 – Farm and Range Improvement – To account for expenditures related to soil conservation, predatory animal and insect control. Funding is provided from distributions made under the Taylor Grazing Act. (Authority: NMSA 6-11-6)

2211 – Law Enforcement – To account for expenditures related to the purchase of law enforcement equipment and training. Financing is provided by a grant from New Mexico Department of Finance and Administration. (Authority: NMSA 29-13-7)

2214 – Lodgers' Tax Act – The County established this fund to account for the administration of a County promotional effort. Financing is derived from lodgers' tax imposed on hotels located within the unincorporated sections of the County. Rio Arriba County established the fund pursuant to Lodger's Occupancy Tax Ordinance. (Authority: NMSA 3-38-13 - 24)

2217 – Recreation – The County established the fund to account for expenditures related to the operations of its recreational activities. Financing is provided by a cigarette tax and other miscellaneous sources. (Authority: NMSA 7-12-15)

2219 – Senior Citizen Program – The County established the fund to account for expenditures related to the operation of its senior programs. Funding is provided from federal grants and County matching funds. (Authority: County Commission)

2222 – County Fire Protection – The County established the fund to account for expenditures of equipment, operating costs, and training for volunteer fire fighters. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20E-15)

**DWI GRANTS:**

2223 - Local DWI Distribution Grant – To account for expenditures incurred for prevention, outpatient treatment, intensive probation and alternative sentencing for the DWI Program. Funding is provided from state grants and County matching funds. (Authority: County Commission)

2224 – Local DWI Grant Fund – To account for expenditures made for prevention, law enforcement, screening and assessment, outpatient treatment, and coordination and planning of DWI program activities in the County. Funding is provided from State grants and County matching funds. (Authority: NMSA 11-6A-6)

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED)**

**DWI GRANTS (CONTINUED):**

2229 - DWI Grant Council – To account for expenditures incurred for Prevention, Screening, Treatment and Compliance Monitoring/Tracking for the DWI program. Funding is provided from State Grants. (Authority: County Commission)

2465 – DWI (LOGRAR) – To account for miscellaneous expenditures incurred by the DWI Program. (Authority: County Commission)

2466 – NCCBS – To account for expenditures related to the DWI program related to underage drinking. Funds are provided by North Central Community Based Services, Inc. (Authority: County Commission)

2467 - NMSH & T Community DWI 01 CD31080 – To account for expenditures incurred for activities to reduce DWI which are of permanent direct benefit to traffic safety in New Mexico. Funding is provided from fees imposed on convicted drunk drivers as allowed by Section 31-12-7(B), Regulation 18.20.6 NMAC (2004) (Authority: County Commission)

2468 – RAC MCP – To account for expenditures related to the DWI Misdemeanor Compliance program whose purpose is to ensure, through standards and limitations of powers, the safe and consistent handling of misdemeanor defendants who may be monitored or supervised by county operated misdemeanor compliance programs. (Authority: County Commission)

2469 – Correction Program – CYFD – To account for expenditures incurred for providing juvenile community corrections services to clients. Funding provided by the New Mexico of Children, Youth and Families Department. (Authority: County Commission)

2225 - Clerks Recording and Filing Fees – The County established this fund to account for receipts and expenditures related to the County Clerk's Office. New Mexico law stipulates that this fund is designated "for the purpose of equipment associated with recording, filing, maintaining or reproducing documentation." Financing is provided from County recording fees. (Authority: NMSA 14-8-10)

2226 – Correctional Facility – The County established the fund to account for expenditures of equipment, operating costs, and training for the County Detention Center. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20F-3)

**FIRE DEPARTMENT FUNDS:**

2300, 2301, 2302, 2303, 2305, 2306, 2307, 2308, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2340 – Fire Department Funds – To account for expenditures of equipment, operating costs, and training for volunteer fire fighters. The County maintains and operates eighteen (19) fire departments. Funding is provided from the State of New Mexico Fire Protection Fund Act. (Authority: NMSA 59-A-53-2)

**EMS FUNDS:**

2350, 2351, 2352, 2353, 2354, 2355, 2357, 2358, 2360, 2361, 2363, 2364, 2365, 2366, 2367, 2368, 2369 – Emergency Medical Service (EMS) Funds – to account for expenditures for maintenance and operations of ambulance service in the County. The County maintains and operates seventeen (17) EMS departments. Funding is provided from the Emergency Medical Services Act. (Authority: NMSA 24-10A & B)

**STATE OF NEW MEXICO**  
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June 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED)**

2402 – New Mexico State Library – The County established the fund to account for expenditures that assist the Public Library. The County assists three public libraries. Funding is provided from the General Obligation Bonds for the purpose of providing public library resources. County established the fund pursuant to NM Statutes Law (Authority: NMSA 1978, 4-36-2).

2408 – HRAB/Historical Records Advisor Board – To account for expenditures incurred in Historical records grant whose purpose is to preserve and rehouse historical records; identify other records produced and housed by the County and determine appropriate classification; digitize permanent and temporary records; and aid in the creation and implementation of a records management policy. (Authority: County Commission)

2409 – Forest Reserve Title III – The County established this fund to account for expenditures for community services and fire and rescue activities. Funding provided by United States Public Law 106-393.

2413 – NMCf-Regional Food Hub/Sostenga Kitchen – To provide technical and resource support to agricultural entrepreneurs with emphasis to clients operating out of Sostenga local commercial kitchen in order to bring in revenue for self-sustainability and the viability of maintaining the operation of the kitchen. This support will be provided by a contracted Northern NM College student intern and in-kind support from Rio Arriba County Economic Development Office. (Authority: County Commission)

2421 – Summer Food Program – The County established this fund to account for expenditures related to the County's Summer Food program. Financing is provided from a grant from the Children, Youth and Families Department. (Authority: County Commission)

2426 – SCAAP – The County established the fund to account for detention center costs related to the incarceration of undocumented criminal aliens (Costs reimbursed through the State Criminal Alien Assistance program (SCAAP)). (Authority: County Commission)

**SHERIFF GRANTS:**

2431 – JAG Program FY 2009 Recovery Act – To account for expenditures to purchase law enforcement equipment and training. Funds are provided by the Department of Justice. (Authority: County Commission)

2434 – Abiquiu Lake Patrol – To account for expenditures related to lake patrol of the Abiquiu Dam. Funds are provided by the USA Corps of Engineers. (Authority: County Commission)

2435 – Santa Fe National Forest – To account for expenditures related to forest patrol of the Santa Fe National Forest. Funds are provided by the USDA Forest Service. (Authority: County Commission)

2436 – Carson National Forest – To account for expenditures related to forest patrol of the Carson National Forest. Funds are provided by the USDA Forest Service. (Authority: County Commission)

2438 – Traffic Safety Education & Enforcement – To account for expenditures related to purchasing educational and promotional items. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2440 – Click It Or Ticket – To account for expenditures related to the enforcement and public awareness to conduct seatbelt and child safety and enforcement activities. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

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Rio Arriba County  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED)**

**SHERIFF GRANTS (CONTINUED):**

2441 – Teen Seatbelt – 10-OP-TD-080 – To account for expenditures related to the Traffic Safety Education Enforcement program, seatbelts, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2446 – NMDOT DWI 07-AL-03-080 – To account for expenditures related to the Traffic Safety Education Enforcement program, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2447 – OP DWI 08-AL-64-080 – To account for expenditures related to the Traffic Safety Education Enforcement program, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2448 – OBD 08-OP-RF-080 – To account for expenditures related to the Traffic Safety Education Enforcement program, seatbelts, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2471 – 100 Days & Nights of Summer – To account for expenditures related to the Traffic Safety Education Enforcement program, super blitz sobriety checkpoints and/or saturation patrols. Funds are provided by the State of New Mexico Department of Transportation. (Authority: County Commission)

2460 – NM Youth Conservation Corps – To plan, design, establish and manage a YCC project including recruiting, guiding and coordinating the work of corps members and providing them with job and life skills training and educational opportunities in a accordance with NMYCC Act. (Authority: County Commission)

2461 – NM Youth Alliance-To promote the PYD approach and adolescent health by peer to peer and youth-adult partnership in New Mexico. (Authority: County Commission)

2476 – Department of Homeland Security and Emergency Management – The County established the fund to account for expenditures in developing and conducting a progressive exercise program that will result in a full-scale exercise and to account for expenditures incurred for emergency management programmatic goals and objectives and purchase of major response equipment. Funding provided by the Department of Homeland Security and Emergency Management. (Authority: County Commission)

2482, 2486, 2485, 2486 – Rural Health Network (HRSA)- The County established this fund to account for expenditures to support the community health improvement process through coordination of the health council, council development, assessment and planning and council action and leadership, child health promotion and early intervention. Funding is provided by a grant for the New Mexico Department of Health and the State Family Health Bureau. (Authority: County Commission)

2488, 2489 – Behavioral Health Grants – The County established the fund to account for expenditures incurred for providing quality behavioral health services, intervention and prevention for targeted population and the implementation of Total Community Approach Initiatives and to account for expenditures incurred for case management and outreach services. (Authority: County Commission)

2490 – PHO Health Profile – The County established the fund to account for expenditures incurred to perform services to identify community health needs. (Authority: County Commission)

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED)**

2496 – National Council of Aging (NCOA) – The County established the fund to account for expenditures to implement a Benefits Enrollment Center. Benefit programs are Medicare Part D, Medicare Saving Programs, Medicaid, Supplemental Nutrition Assistance Program, and Low Income Energy Assistance. (Authority: County Commission)

2499 – RAJJB – Rio Arriba County, working in conjunction with its Rio Arriba Juvenile Justice Board, established this fund to account for expenditures incurred for continuum of programs for youth at high risk of delinquent behavior. Rio Arriba County acts as the fiscal agent for the Rio Arriba Juvenile Justice Board. (Authority: County Commission)

2528 – Inmate Evercom Phone – The County established the fund to account for inmate expenditures as needed. Financing is provided from phone system charges that were collected as a commission on the purchase of phone cards. (Authority: County Commission)

**CAPITAL PROJECTS FUNDS**

3261, 3262, 3263, 3264, 3265, 3266, 3268, 3269, 3270, 3271, 3273, 3274, 3275, 3276, 3279, 3280, 3281, 3283, 3284 – Senior Appropriations Capital Projects – The County established this fund to account for expenditures relative to various County Senior facility projects financed by the Senior Capital Outlay (Authority: County Commission).

3366 – Fire District Bond Funds – The County established this fund to account for the initial receipt of the funds from the issuance of bonds and the subsequent expenditures of those funds. (Authority: County Commission)

3367 – EMS Bond Fund – The County established this fund to account for the initial receipt of funds from the issuance of bonds and the subsequent expenditures of those funds. (Authority: County Commission)

3701 – 2014 State Appropriation – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2014 State Appropriations. (Authority: County Commission)

3707 – 2015 State Appropriation – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2015 State Appropriations. (Authority: County Commission)

**DEBT SERVICE FUNDS**

4400, 4401, 4420 – Debt Service Funds – To account for the accumulation of resources and payment on General Obligation, Gross Receipt and Fire Tax Revenue bonds principal and interest.

**TRUST AND AGENCY FUNDS**

7752 – HHS Donation fund – To account for expenditures related to the support of the Crisis Prevention-Intervention Training. (Authority: County Commission)

7753 – Adult Day Care – The County established this fund to account for expenditures on behalf of participants in the County's Senior Program. (Authority: County Commission)



**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Fund Descriptions  
June 30, 2017

**TRUST AND AGENCY FUNDS (CONTINUED)**

7754, 7755, 7756, 7757, 7758, 7759, 7760, 7761 – Senior Center – The County established this fund to account for expenditures on behalf of participants in the County’s senior programs. The County maintains and operates eight (8) Senior Centers. (Authority: County Commission)

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2017

**Special Revenue**

	<u>Jail Operations</u>	<u>Solid Waste</u>	<u>County Property Evaluation</u>	<u>County Road Projects</u>
<b>Assets</b>				
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 124,408	\$ 456,469	\$ 1,098,532
Investments	-	229,000	-	-
Accounts receivable:				
Other taxes	-	26,617	-	-
Intergovernmental	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 380,025</u>	<u>\$ 456,469</u>	<u>\$ 1,098,532</u>
<b>Liabilities and Fund Balances</b>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 698	\$ 28,276
Accrued payroll	-	-	1,013	38,645
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>1,711</u>	<u>66,921</u>
<i>Fund Balances</i>				
Spendable:				
Restricted:				
General county operations	-	380,025	-	-
Public safety	-	-	-	-
County roads	-	-	-	867,202
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
County property valuation	-	-	454,758	-
Minimum fund balance	-	-	-	164,409
Debt service	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>380,025</u>	<u>454,758</u>	<u>1,031,611</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 380,025</u>	<u>\$ 456,469</u>	<u>\$ 1,098,532</u>

See independent auditors' report.

**Special Revenue**

<b>Emergency Communications/ EMS</b>	<b>Farm and Range Improvement</b>	<b>Law Enforcement</b>	<b>Lodgers' Tax Act</b>	<b>Recreation</b>	<b>Senior Citizen Program</b>
\$ 12,629	\$ -	\$ -	\$ 78,030	\$ 5,749	\$ 168,525
1,000,000	-	-	-	-	-
158,882	-	-	-	-	-
-	-	500	-	-	-
<u>\$ 1,171,511</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 78,030</u>	<u>\$ 5,749</u>	<u>\$ 168,525</u>
\$ 2,047	\$ -	\$ 500	\$ 10,835	\$ -	\$ 3,433
-	-	-	-	-	44,387
-	-	-	-	-	-
<u>2,047</u>	<u>-</u>	<u>500</u>	<u>10,835</u>	<u>-</u>	<u>47,820</u>
-	-	-	-	-	-
1,169,464	-	-	-	-	-
-	-	-	-	-	-
-	-	-	67,195	5,749	-
-	-	-	-	-	120,705
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,169,464</u>	<u>-</u>	<u>-</u>	<u>67,195</u>	<u>5,749</u>	<u>120,705</u>
<u>\$ 1,171,511</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 78,030</u>	<u>\$ 5,749</u>	<u>\$ 168,525</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2017

**Special Revenue**

	<u>County Fire Protection</u>	<u>DWI Grants</u>	<u>Clerk's Recording and Filing Fees</u>	<u>Correctional Facility</u>
<b>Assets</b>				
<i>Assets</i>				
Cash and cash equivalents	\$ 1,756,555	\$ 59,245	\$ 501,403	\$ -
Investments	300,000	-	-	-
Accounts receivable:				
Other taxes	61,306	-	-	78,913
Intergovernmental	-	151,205	-	-
<i>Total assets</i>	<u>\$ 2,117,861</u>	<u>\$ 210,450</u>	<u>\$ 501,403</u>	<u>\$ 78,913</u>
<b>Liabilities and Fund Balances</b>				
<i>Liabilities</i>				
Accounts payable	\$ 8	\$ 189	\$ -	\$ 58,466
Accrued payroll	-	25,168	-	7,521
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>8</u>	<u>25,357</u>	<u>-</u>	<u>65,987</u>
<i>Fund Balances</i>				
Spendable:				
Restricted:				
General county operations	-	-	501,403	-
Public safety	2,117,853	185,093	-	12,926
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
County property valuation	-	-	-	-
Minimum fund balance	-	-	-	-
Debt service	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>2,117,853</u>	<u>185,093</u>	<u>501,403</u>	<u>12,926</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,117,861</u>	<u>\$ 210,450</u>	<u>\$ 501,403</u>	<u>\$ 78,913</u>

See independent auditors' report.

**Special Revenue**

<b>Fire Department Funds</b>	<b>EMS Funds</b>	<b>New Mexico State Library</b>	<b>HRAB/ Historical Records Advisor Board</b>	<b>Forest Reserve Title III</b>	<b>NMCF Regional Food Hub/ Sostenga Kitchen</b>
\$ 2,058,675	\$ 6,674	\$ -	\$ -	\$ 752,319	\$ -
-	-	-	-	800,000	-
-	-	2,158	-	-	-
<u>\$ 2,058,675</u>	<u>\$ 6,674</u>	<u>\$ 2,158</u>	<u>\$ -</u>	<u>\$ 1,552,319</u>	<u>\$ -</u>
\$ 4,159	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	1,552,319	-
2,054,516	6,674	-	-	-	-
-	-	-	-	-	-
-	-	2,158	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,054,516</u>	<u>6,674</u>	<u>2,158</u>	<u>-</u>	<u>1,552,319</u>	<u>-</u>
<u>\$ 2,058,675</u>	<u>\$ 6,674</u>	<u>\$ 2,158</u>	<u>\$ -</u>	<u>\$ 1,552,319</u>	<u>\$ -</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2017

**Special Revenue**

	<u>Summer Food Program</u>	<u>SCAAP</u>	<u>Sheriff Grants</u>	<u>NM Youth Conservation Corps</u>
<b>Assets</b>				
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 7,802	\$ 155	\$ 296
Investments	-	-	-	-
Accounts receivable:				
Other taxes	-	-	-	-
Intergovernmental	49,532	-	5,928	-
<i>Total assets</i>	<u>\$ 49,532</u>	<u>\$ 7,802</u>	<u>\$ 6,083</u>	<u>\$ 296</u>
<b>Liabilities and Fund Balances</b>				
<i>Liabilities</i>				
Accounts payable	\$ 2,105	\$ -	\$ 137,286	\$ -
Accrued payroll	14,631	-	1,302	-
Due to other funds	-	-	68,632	-
<i>Total liabilities</i>	<u>16,736</u>	<u>-</u>	<u>207,220</u>	<u>-</u>
<i>Fund Balances</i>				
Spendable:				
Restricted:				
General county operations	-	7,802	-	-
Public safety	-	-	-	-
County roads	-	-	-	-
Culture and recreation	32,796	-	-	-
Health and welfare	-	-	-	296
County property valuation	-	-	-	-
Minimum fund balance	-	-	-	-
Debt service	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Unassigned	-	-	(201,137)	-
<i>Total fund balances</i>	<u>32,796</u>	<u>7,802</u>	<u>(201,137)</u>	<u>296</u>
<i>Total liabilities and fund balances</i>	<u>\$ 49,532</u>	<u>\$ 7,802</u>	<u>\$ 6,083</u>	<u>\$ 296</u>

See independent auditors' report.

**Special Revenue**

<u>NM Youth Alliance</u>	<u>Department of Homeland Security and Emergency Management</u>	<u>Rural Health Network (HRSA)</u>	<u>Behavioral Health Grants</u>	<u>PHO Health Profile</u>	<u>National Council of Aging (NCOA)</u>
\$ -	\$ 1,220	\$ -	\$ 7	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,000	123,091	-	51,784
<u>\$ -</u>	<u>\$ 1,220</u>	<u>\$ 8,000</u>	<u>\$ 123,098</u>	<u>\$ -</u>	<u>\$ 51,784</u>
\$ -	\$ -	\$ -	\$ 355	\$ -	\$ -
-	-	-	17,041	-	-
-	-	-	-	-	-
-	-	-	17,396	-	-
-	-	-	-	-	-
-	1,220	-	-	-	-
-	-	-	-	-	-
-	-	8,000	105,702	-	51,784
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,220	8,000	105,702	-	51,784
<u>\$ -</u>	<u>\$ 1,220</u>	<u>\$ 8,000</u>	<u>\$ 123,098</u>	<u>\$ -</u>	<u>\$ 51,784</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2017

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>RAJJB</u>	<u>Inmate Evercom Phone</u>	<u>Senior Appropriations</u>	<u>Fire District Bond Funds</u>
<b>Assets</b>				
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 102,783	\$ 274	\$ 125,171
Investments	-	-	-	253,107
Accounts receivable:				
Other taxes	-	-	-	-
Intergovernmental	26,896	-	26,039	-
<i>Total assets</i>	<u>\$ 26,896</u>	<u>\$ 102,783</u>	<u>\$ 26,313</u>	<u>\$ 378,278</u>
<b>Liabilities and Fund Balances</b>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	6,917	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>6,917</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Spendable:				
Restricted:				
General county operations	-	-	-	-
Public safety	19,979	102,783	-	-
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	26,313	-
County property valuation	-	-	-	-
Minimum fund balance	-	-	-	-
Debt service	-	-	-	-
Committed:				
Capital projects	-	-	-	378,278
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>19,979</u>	<u>102,783</u>	<u>26,313</u>	<u>378,278</u>
<i>Total liabilities and fund balances</i>	<u>\$ 26,896</u>	<u>\$ 102,783</u>	<u>\$ 26,313</u>	<u>\$ 378,278</u>

See independent auditors' report.



<u>Capital Projects</u>			<u>Debt Service</u>		
<u>EMS Bond Fund</u>	<u>2014 State Appropriation Capital Projects</u>	<u>2015 State Appropriation Capital Projects</u>	<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
\$ 44,357	\$ 36,093	\$ -	\$ 55,244		\$ 7,452,615
-	-	-	198,333		2,780,440
-	-	-	-		325,718
-	116,742	-	-		561,875
<u>\$ 44,357</u>	<u>\$ 152,835</u>	<u>\$ -</u>	<u>\$ 253,577</u>		<u>\$ 11,120,648</u>
\$ -	\$ -	\$ -	\$ -		\$ 248,357
-	-	-	-		156,625
-	-	-	-		68,632
-	-	-	-		473,614
-	-	-	-		2,441,549
-	-	-	-		5,670,508
-	-	-	-		867,202
-	-	-	-		107,898
-	-	-	-		312,800
-	-	-	-		454,758
-	-	-	-		164,409
-	-	-	253,577		253,577
44,357	152,835	-	-		575,470
-	-	-	-		(201,137)
<u>44,357</u>	<u>152,835</u>	<u>-</u>	<u>253,577</u>		<u>10,647,034</u>
<u>\$ 44,357</u>	<u>\$ 152,835</u>	<u>\$ -</u>	<u>\$ 253,577</u>		<u>\$ 11,120,648</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017

	<b>Special Revenue</b>			
	<b>Jail Operations</b>	<b>Solid Waste</b>	<b>County Property Evaluation</b>	<b>County Road Projects</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ 209,631	\$ -
Gross receipts	-	167,057	-	-
Gasoline and motor vehicle	-	-	-	447,139
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	75,663
State operating grants	-	245,718	-	411,078
State capital grants	-	-	-	-
Charges for services	134,645	-	-	1,825
Investment income	-	-	-	-
Miscellaneous	-	-	-	33
<i>Total revenues</i>	<u>134,645</u>	<u>412,775</u>	<u>209,631</u>	<u>935,738</u>
<i>Expenditures</i>				
Current:				
General government	-	-	184,870	-
Public safety	134,645	-	-	-
Public works	-	-	-	1,472,183
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	500,726
Debt service:				
Principal	-	200,184	-	-
Interest	-	139,942	-	-
<i>Total expenditures</i>	<u>134,645</u>	<u>340,126</u>	<u>184,870</u>	<u>1,972,909</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>72,649</u>	<u>24,761</u>	<u>(1,037,171)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	100,000	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>172,649</u>	<u>24,761</u>	<u>(1,037,171)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>207,376</u>	<u>429,997</u>	<u>2,068,782</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 380,025</u>	<u>\$ 454,758</u>	<u>\$ 1,031,611</u>

See independent auditors' report.

**Special Revenue**

<b>Emergency Communications/ EMS</b>	<b>Farm and Range Improvement</b>	<b>Law Enforcement</b>	<b>Lodger's Tax Act</b>	<b>Recreation</b>	<b>Senior Citizen Program</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,003,392	-	-	-	-	-
-	-	-	-	-	-
-	-	-	58,309	-	-
-	7,172	-	-	-	290,736
-	-	44,900	-	-	437,511
-	-	-	-	-	-
-	-	-	-	4,440	103,366
-	-	-	-	-	-
-	-	-	-	-	55,074
<u>1,003,392</u>	<u>7,172</u>	<u>44,900</u>	<u>58,309</u>	<u>4,440</u>	<u>886,687</u>
-	-	-	-	-	-
1,184,319	35,500	44,900	-	-	-
-	-	-	-	-	-
-	-	-	79,982	1,188	-
-	-	-	-	-	1,777,958
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,184,319</u>	<u>35,500</u>	<u>44,900</u>	<u>79,982</u>	<u>1,188</u>	<u>1,777,958</u>
<u>(180,927)</u>	<u>(28,328)</u>	<u>-</u>	<u>(21,673)</u>	<u>3,252</u>	<u>(891,271)</u>
-	-	-	-	-	171
-	30,500	-	-	-	867,300
-	(3,112)	-	-	-	-
-	27,388	-	-	-	867,471
<u>(180,927)</u>	<u>(940)</u>	<u>-</u>	<u>(21,673)</u>	<u>3,252</u>	<u>(23,800)</u>
<u>1,350,391</u>	<u>940</u>	<u>-</u>	<u>88,868</u>	<u>2,497</u>	<u>144,505</u>
<u>\$ 1,169,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,195</u>	<u>\$ 5,749</u>	<u>\$ 120,705</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017

	<b>Special Revenue</b>			
	<b>County Fire Protection</b>	<b>DWI Grants</b>	<b>Clerk's Recording and Filing Fees</b>	<b>Correctional Facility</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	385,842	-	-	498,682
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	597,218	-	-
State capital grants	-	-	-	-
Charges for services	-	-	100,227	-
Investment income	-	-	-	-
Miscellaneous	-	59,874	-	-
<i>Total revenues</i>	<u>385,842</u>	<u>657,092</u>	<u>100,227</u>	<u>498,682</u>
<i>Expenditures</i>				
Current:				
General government	-	-	52,120	-
Public safety	90,933	932,967	-	521,490
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	49,604	-	123	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>140,537</u>	<u>932,967</u>	<u>52,243</u>	<u>521,490</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>245,305</u>	<u>(275,875)</u>	<u>47,984</u>	<u>(22,808)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	171,205	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>171,205</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	245,305	(104,670)	47,984	(22,808)
<i>Fund balances - beginning of year</i>	<u>1,872,548</u>	<u>289,763</u>	<u>453,419</u>	<u>35,734</u>
<i>Fund balances - end of year</i>	<u>\$ 2,117,853</u>	<u>\$ 185,093</u>	<u>\$ 501,403</u>	<u>\$ 12,926</u>

See independent auditors' report.

**Special Revenue**

<b>Fire Department Funds</b>	<b>EMS Funds</b>	<b>New Mexico State Library</b>	<b>HRAB/ Historical Records Advisor Board</b>	<b>Forest Reserve Title III</b>	<b>NMCF Regional Food Hub/Sostenga Kitchen</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,428	-	-	-	-	-
1,956,794	89,325	8,113	14,365	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
859	-	-	-	-	-
<u>1,962,081</u>	<u>89,325</u>	<u>8,113</u>	<u>14,365</u>	<u>-</u>	<u>-</u>
-	-	16,172	14,376	-	-
770,438	91,566	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,227,354	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,997,792</u>	<u>91,566</u>	<u>16,172</u>	<u>14,376</u>	<u>-</u>	<u>-</u>
<u>(35,711)</u>	<u>(2,241)</u>	<u>(8,059)</u>	<u>(11)</u>	<u>-</u>	<u>-</u>
4,043	-	-	-	-	-
-	-	2,158	-	-	-
<u>(176,373)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(172,330)</u>	<u>-</u>	<u>2,158</u>	<u>-</u>	<u>-</u>	<u>-</u>
(208,041)	(2,241)	(5,901)	(11)	-	-
<u>2,262,557</u>	<u>8,915</u>	<u>8,059</u>	<u>11</u>	<u>1,552,319</u>	<u>-</u>
<u>\$ 2,054,516</u>	<u>\$ 6,674</u>	<u>\$ 2,158</u>	<u>\$ -</u>	<u>\$ 1,552,319</u>	<u>\$ -</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017

	<b>Special Revenue</b>			
	<b>Summer Food Program</b>	<b>SCAAP</b>	<b>Sheriff Grants</b>	<b>NM Youth Conservation Corps</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	83,685	-	10,739	-
State operating grants	84,787	-	11,142	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	3,470	-	19,327	2,448
<i>Total revenues</i>	<u>171,942</u>	<u>-</u>	<u>41,208</u>	<u>2,448</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	1,339	34,766	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	180,510	-	-	45,194
Capital outlay	-	-	10,788	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>180,510</u>	<u>1,339</u>	<u>45,554</u>	<u>45,194</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,568)</u>	<u>(1,339)</u>	<u>(4,346)</u>	<u>(42,746)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	89,532	-	5,928	-
Transfers (out)	(49,841)	-	(2,530)	-
<i>Total other financing sources (uses)</i>	<u>39,691</u>	<u>-</u>	<u>3,398</u>	<u>-</u>
<i>Net change in fund balances</i>	31,123	(1,339)	(948)	(42,746)
<i>Fund balances - beginning of year</i>	<u>1,673</u>	<u>9,141</u>	<u>(200,189)</u>	<u>43,042</u>
<i>Fund balances - end of year</i>	<u>\$ 32,796</u>	<u>\$ 7,802</u>	<u>\$ (201,137)</u>	<u>\$ 296</u>

See independent auditors' report.

Special Revenue

<u>NM Youth Alliance</u>	<u>Dept. of Homeland Security and Emergency Management</u>	<u>Rural Health Network (HRSA)</u>	<u>Behavioral Health Grants</u>	<u>PHO Health Profile</u>	<u>National Council of Aging (NCOA)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	27,924	400	-	51,784
-	-	-	442,001	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	104	-	-
-	-	<u>27,924</u>	<u>442,505</u>	<u>-</u>	<u>51,784</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	49,428	907,472	4,420	83,362
-	-	-	-	-	-
-	-	-	-	-	-
-	-	<u>49,428</u>	<u>907,472</u>	<u>4,420</u>	<u>83,362</u>
-	-	<u>(21,504)</u>	<u>(464,967)</u>	<u>(4,420)</u>	<u>(31,578)</u>
-	-	-	-	-	-
-	-	8,000	123,091	-	51,784
-	-	(6,635)	-	-	-
-	-	<u>1,365</u>	<u>123,091</u>	<u>-</u>	<u>51,784</u>
-	-	(20,139)	(341,876)	(4,420)	20,206
-	1,220	<u>28,139</u>	<u>447,578</u>	<u>4,420</u>	<u>31,578</u>
<u>\$ -</u>	<u>\$ 1,220</u>	<u>\$ 8,000</u>	<u>\$ 105,702</u>	<u>\$ -</u>	<u>\$ 51,784</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>RAJJB</u>	<u>Inmate Evercom Phone</u>	<u>Senior Appropriations</u>	<u>Fire District Bond Funds</u>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	133,058	-	-	-
State capital grants	-	-	200,521	-
Charges for services	-	94,000.00	-	-
Investment income	-	-	-	-
Miscellaneous	-	23,010	-	-
<i>Total revenues</i>	<u>133,058</u>	<u>117,010</u>	<u>200,521</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	173,355	27,830	25,597	-
Public safety	-	22,304	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	175,169	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>173,355</u>	<u>50,134</u>	<u>200,766</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(40,297)</u>	<u>66,876</u>	<u>(245)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	26,896	-	26,039	176,373
Transfers (out)	-	-	(543,706)	-
<i>Total other financing sources (uses)</i>	<u>26,896</u>	<u>-</u>	<u>(517,667)</u>	<u>176,373</u>
<i>Net change in fund balances</i>	<u>(13,401)</u>	<u>66,876</u>	<u>(517,912)</u>	<u>176,373</u>
<i>Fund balances - beginning of year</i>	<u>33,380</u>	<u>35,907</u>	<u>544,225</u>	<u>201,905</u>
<i>Fund balances - end of year</i>	<u>\$ 19,979</u>	<u>\$ 102,783</u>	<u>\$ 26,313</u>	<u>\$ 378,278</u>

See independent auditors' report.



<u>Capital Projects</u>			<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
<u>EMS Bond Fund</u>	<u>2014 State Appropriation Capital Projects</u>	<u>2015 State Appropriation Capital Projects</u>	<u>Debt Service</u>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,631
-	-	-	213,528	-	2,268,501
-	-	-	-	-	447,139
-	-	-	-	-	58,309
-	-	-	-	-	552,531
-	-	-	-	-	4,476,010
-	178,301	-	-	-	378,822
-	-	-	-	-	438,503
-	-	-	2,916	-	2,916
-	-	-	-	-	164,199
-	<u>178,301</u>	-	<u>216,444</u>	-	<u>8,996,561</u>
-	104,355	-	-	-	598,675
-	-	-	-	-	3,865,167
-	-	-	-	-	1,472,183
-	-	-	-	-	81,170
-	-	-	-	-	3,048,344
-	112,750	-	-	-	2,076,514
-	-	-	108,450	-	308,634
-	-	-	105,078	-	245,020
-	<u>217,105</u>	-	<u>213,528</u>	-	<u>11,695,707</u>
-	<u>(38,804)</u>	-	<u>2,916</u>	-	<u>(2,699,146)</u>
-	-	-	-	-	4,214
-	116,742	-	-	-	1,795,548
-	-	(49,934)	-	-	(832,131)
-	<u>116,742</u>	<u>(49,934)</u>	-	-	<u>967,631</u>
-	77,938	(49,934)	2,916	-	(1,731,515)
<u>44,357</u>	<u>74,897</u>	<u>49,934</u>	<u>250,661</u>	-	<u>12,378,549</u>
<u>\$ 44,357</u>	<u>\$ 152,835</u>	<u>\$ -</u>	<u>\$ 253,577</u>	-	<u>\$ 10,647,034</u>

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## **SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Collateral Pledged by Depository  
For Public Funds  
June 30, 2017

Schedule III

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2017	Name and Location of Safekeeper
<b>New Mexico Bank and Trust</b>					
	Massachusetts EDL Fing Auth Rev	7/1/2022	57563RNJ4	\$ 3,387,060	Sun Trust Bank, Atlanta GA
	Metropolitan Transn Auth Rev	11/15/2034	59261AJU2	928,288	
	Mississippi Dev Oblig	4/1/2028	60534TY41	1,659,029	
	South Carolina St Public SV Auth Rev	12/1/2031	837151PM5	3,743,021	
	Warren Mich Cons Sch Dist	5/1/2030	935341B63	1,974,980	
				<u>11,692,378</u>	
<b>Bank of the West</b>					
	GN 16179 A Seq Fix	3/20/2042	38376T6S6	494,530	Wells Fargo Minneapolis, MN
	GNMA1 Single Family 30 Year	1/15/2042	36176W7E5	22,205	
	GNMA1 Single Family 30 Year	6/15/2042	36176XUA5	90,853	
	GNMA2 Arm Multiple	2/20/2042	36225FLV9	312,063	
				<u>919,651</u>	
<b>Washington Federal</b>					
	FNMA PL#BC2636 CUSIP 3140EW4W2	11/1/2046	3140EW4W2	85,636	Federal Home Loan Bank Seattle, WA
				<u>85,636</u>	
<b>Century Bank</b>					
	Alb. Bernalillo Co Wtr Util	7/1/2025	013493DB4	434,316	Federal Home Loan Bank Dallas, TX
	Artesia NM Wtr & Wstwtly Sys	6/1/2018	04310LAJ9	512,875	
	Carlsbad NM Mun Sch Dist	8/1/2024	142735DQ9	821,713	
	Clovis NM Gross Rcpts Tax Rev	6/1/2028	189387CR2	422,618	
	Los Lunas NM SD	7/15/2022	545562PJ3	536,094	
	Los Lunas NM Sch Dist No 001	7/15/2021	545562SA9	307,332	
	West Las Vegas n Mec Sch Dist	8/15/2019	953769JX5	405,820	
				<u>3,440,768</u>	
<b>Sunflower Bank</b>					
	FHLMC - Pool#: C91462	6/1/2032	3128P7TT0	1,547,952	First National Bank of Denver, CO
	FHLMC - Pool#: J18402	3/1/2027	3128PYKP8	1,294,967	
	FHLB FIXED RATE NOTE	9/14/2018	3130A6AE7	4,987,650	
				<u>7,830,569</u>	
<i>Total pledged collateral</i>				<u>\$ 23,969,002</u>	

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Deposit and Investment Accounts  
June 30, 2017

<u>Bank Account Type/Name</u>	<u>New Mexico Bank &amp; Trust</u>	<u>Bank of the West</u>	<u>Sunflower Bank</u>	<u>Century Bank</u>
Tax Account - Checking	\$ 13,433,393	\$ -	\$ -	\$ -
Inmate Account - Checking	29,114	-	-	-
Money Market - Checking	462,265	50,334	-	-
Savings Account	2,230	-	-	4,017,341
Certificate of Deposit	-	1,018,143	2,041,673	1,040,901
Certificate of Deposit - CDARS	1,002,971	-	1,057,143	-
Debt service (restricted funds)**	-	-	-	-
U.S. Treasury Notes	-	-	-	-
<b>Total on deposit and investment</b>	<b>14,929,973</b>	<b>1,068,477</b>	<b>3,098,816</b>	<b>5,058,242</b>
Reconciling items	(2,661,770)	-	-	-
<i>Reconciled balance June 30, 2017</i>	<u><u>\$ 12,268,203</u></u>	<u><u>\$ 1,068,477</u></u>	<u><u>\$ 3,098,816</u></u>	<u><u>\$ 5,058,242</u></u>

\*\*Accounts are U.S. Treasury MM Mutual Funds  
Note all bank accounts are interest bearing

See independent auditors' report.

<b>Washington Federal</b>	<b>Wells Fargo Bank</b>	<b>SouthWest Capital Bank</b>	<b>State of New Mexico LGIP</b>	<b>NMFA Cash</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,433,393
-	-	-	-	-	29,114
-	-	-	-	-	512,599
-	110,013	-	-	-	4,129,584
304,243	-	-	1,130	-	4,406,090
-	-	2,004,356	-	-	4,064,470
-	-	-	-	55,244	55,244
-	-	-	-	198,333	198,333
304,243	110,013	2,004,356	1,130	253,577	26,828,827
-	-	-	-	-	(2,661,770)
<u>\$ 304,243</u>	<u>\$ 110,013</u>	<u>\$ 2,004,356</u>	<u>\$ 1,130</u>	<u>\$ 253,577</u>	<u>24,167,057</u>
Less: investments per Exhibit A-1					(8,471,660)
Less: restricted cash and cash equivalents per Exhibit A-1					(55,244)
Less: restricted investments per Exhibit A-1					(198,333)
Less: agency fund cash per Exhibit D-1					(537,994)
<i>Total governmental activities unrestricted cash and cash equivalents per Exhibit A-1</i>					<u>\$ 14,903,826</u>

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**STATE OF NEW MEXICO**

Schedule V

Rio Arriba County

Tax Roll Reconciliation - Changes in Property Taxes Receivable

For the Year Ended June 30, 2017

Property taxes receivable - beginning of year, as restated	\$	4,001,984
Changes to tax roll addition and deletions:		
Tax charges to treasurer for current fiscal year		21,091,879
Total receivables prior to collections		25,093,863
Collections for fiscal year ended June 30, 2017		(20,983,836)
Adjustments to tax levies		(75,433)
Adjustments to allowance for doubtful accounts		(14,346)
Considered paid and received per state law (Tax year 2006)		(115,672)
Total collections and amounts considered paid and received		(21,189,287)
<i>Property taxes receivable, net - end of year</i>	\$	3,904,576

Property taxes receivable by year:

Tax Year		
2007	\$	2,732
2008		14,521
2009		50,049
2010		56,944
2011		90,055
2012		130,211
2013		265,824
2014		370,231
2015		890,720
2016		2,033,289
<i>Receivable tax year end, net</i>	\$	3,904,576

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the Year Ended June 30, 2017

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>	<b>Taxes Collected to Date</b>
<b>State Debt Service</b>				
2007	\$ 770,681	\$ 29,232	\$ 678	\$ 791,599
2008	815,451	20,922	1,005	826,577
2009	814,248	25,444	1,620	827,967
2010	1,086,460	23,715	3,274	1,093,243
2011	973,698	25,497	3,924	980,645
2012	1,075,238	(22,685)	6,345	1,028,487
2013	1,115,526	(11,649)	14,564	1,070,672
2014	1,187,511	(7,096)	35,747	1,133,228
2015	1,137,478	7,901	70,656	1,071,285
2016	1,164,359	(2,832)	1,019,852	1,019,852
	<b>\$ 10,140,650</b>	<b>\$ 88,449</b>	<b>\$ 1,157,665</b>	<b>\$ 9,843,555</b>

<b>County Operating</b>				
2007	\$ 4,272,508	\$ (9,297)	\$ 2,759	\$ 4,225,623
2008	4,593,764	(12,163)	5,088	4,535,387
2009	5,094,860	(13,521)	9,601	5,016,249
2010	5,135,259	(18,535)	15,367	5,050,609
2011	5,301,212	3,506	20,864	5,225,526
2012	5,510,747	(89,484)	32,184	5,327,445
2013	5,677,306	(17,992)	66,970	5,525,934
2014	5,760,860	(26,193)	158,335	5,573,283
2015	5,763,596	97,752	316,181	5,551,127
2016	5,874,727	(588)	5,279,376	5,279,376
	<b>\$ 52,984,839</b>	<b>\$ (86,515)</b>	<b>\$ 5,906,725</b>	<b>\$ 51,310,559</b>

**Municipalities**  
**Village of Chama**

2007	\$ 67,236	\$ -	\$ 83	\$ 67,102
2008	71,406	(36)	165	71,190
2009	75,956	(93)	223	75,660
2010	78,093	(296)	422	77,487
2011	80,715	(188)	653	79,734
2012	87,255	(2,594)	1,102	83,816
2013	89,343	(440)	3,020	87,458
2014	93,025	(50)	5,173	90,710
2015	98,797	72	6,706	92,939
2016	99,390	(140)	86,935	86,935
	<b>\$ 841,215</b>	<b>\$ (3,765)</b>	<b>\$ 104,482</b>	<b>\$ 813,030</b>

See independent auditors' report.

<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>Current Amount Uncollectible</b>	<b>Allowance for Doubtful Accounts</b>	<b>County Taxes Receivable, net at Year End</b>
\$ 767	\$ 791,556	\$ 7,839	\$ 7,839	\$ 476
1,228	826,552	8,196	8,196	1,600
1,826	827,864	8,229	8,229	3,497
3,552	1,093,025	10,880	10,880	6,052
4,208	980,406	9,792	9,792	8,758
6,915	1,028,114	10,315	10,315	13,751
16,605	1,069,979	10,818	10,818	22,387
33,713	1,127,103	11,568	11,568	35,619
75,977	1,065,392	11,225	11,225	62,869
1,007,363	1,003,629	11,383	11,383	130,292
<b>\$ 1,152,153</b>	<b>\$ 9,813,621</b>	<b>\$ 100,245</b>	<b>\$ 100,245</b>	<b>\$ 285,300</b>
\$ 3,537	\$ 4,225,472	\$ 37,587	\$ 37,587	\$ -
6,289	4,535,289	44,900	44,900	1,314
11,056	5,015,785	49,797	49,797	15,294
16,451	5,049,909	50,144	50,144	15,971
22,333	5,224,590	51,986	51,986	27,205
34,690	5,325,804	53,128	53,128	40,690
76,001	5,522,251	55,461	55,461	77,919
152,359	5,549,730	56,200	56,200	105,184
345,302	5,527,663	57,441	57,441	252,780
5,221,204	5,205,294	57,567	57,567	537,197
<b>\$ 5,889,221</b>	<b>\$ 51,181,788</b>	<b>\$ 514,211</b>	<b>\$ 514,211</b>	<b>\$ 1,073,554</b>
\$ 83	\$ 67,102	\$ 134	\$ 134	\$ -
165	71,190	179	179	-
223	75,660	203	203	-
422	77,487	310	310	-
653	79,674	789	789	3
1,103	83,816	830	830	15
3,335	87,279	871	871	574
5,077	90,020	911	911	1,355
7,484	92,436	969	969	4,961
84,242	83,290	973	973	11,343
<b>\$ 102,788</b>	<b>\$ 807,954</b>	<b>\$ 6,169</b>	<b>\$ 6,169</b>	<b>\$ 18,251</b>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the Year Ended June 30, 2017

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>	<b>Taxes Collected to Date</b>
<b>City of Española</b>				
2007	\$ 335,735	\$ (571)	\$ 302	\$ 333,115
2008	366,079	(1,065)	387	361,734
2009	405,401	(1,413)	236	397,499
2010	402,604	(1,697)	237	397,140
2011	413,337	(3,335)	1,074	404,913
2012	449,868	(16,912)	2,036	426,431
2013	475,248	(6,510)	5,852	458,057
2014	489,511	(11,615)	15,339	465,106
2015	544,347	(4,071)	42,339	506,858
2016	553,183	(3,493)	486,021	486,021
	<b>\$ 4,435,314</b>	<b>\$ (50,681)</b>	<b>\$ 553,822</b>	<b>\$ 4,236,873</b>

**Mesa Vista SD#6**

2007	\$ 231,955	\$ (463)	\$ 86	\$ 228,928
2008	247,127	(475)	527	243,330
2009	232,059	(489)	1,021	227,744
2010	217,787	(977)	1,211	213,176
2011	213,116	(800)	1,366	207,173
2012	239,453	(4,385)	1,567	227,842
2013	246,687	(392)	2,846	233,676
2014	237,709	(704)	7,629	222,393
2015	289,061	2,119	16,497	264,297
2016	289,701	208	242,895	242,895
	<b>\$ 2,444,655</b>	<b>\$ (6,358)</b>	<b>\$ 275,645</b>	<b>\$ 2,311,456</b>

**Chama Valley Schools #19**

2007	\$ 1,046,683	\$ (702)	\$ 621	\$ 1,035,210
2008	1,215,339	(1,938)	2,710	1,199,682
2009	1,452,005	(2,354)	5,952	1,430,170
2010	1,301,590	(5,555)	8,358	1,275,088
2011	1,291,997	(10,192)	8,973	1,260,004
2012	1,276,048	(41,053)	11,854	1,211,875
2013	1,275,053	(12,110)	22,052	1,232,560
2014	1,278,349	(16,738)	45,047	1,224,085
2015	1,501,846	(12,600)	93,979	1,402,899
2016	1,719,268	(7,667)	1,510,033	1,510,033
	<b>\$ 13,358,177</b>	<b>\$ (110,911)</b>	<b>\$ 1,709,579</b>	<b>\$ 12,781,604</b>

See independent auditors' report.

<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>Current Amount Uncollectible</b>	<b>Allowance for Doubtful Accounts</b>	<b>County Taxes Receivable, net at Year End</b>
\$ 275	\$ 333,084	\$ 2,049	\$ 2,049	\$ -
392	361,729	3,280	3,280	-
197	397,456	3,959	3,959	2,531
200	397,098	3,768	3,768	-
1,036	404,872	4,018	4,018	1,071
2,050	426,365	4,243	4,243	2,282
6,491	457,948	4,594	4,594	6,087
15,548	463,698	4,683	4,683	8,107
49,129	505,375	5,295	5,295	28,123
478,892	478,177	5,387	5,387	58,282
<b>\$ 554,210</b>	<b>\$ 4,225,802</b>	<b>\$ 41,276</b>	<b>\$ 41,276</b>	<b>\$ 106,482</b>
\$ 86	\$ 228,928	\$ 2,269	\$ 2,269	\$ 295
527	243,330	2,417	2,417	905
1,112	227,744	2,269	2,269	1,556
1,211	213,176	2,125	2,125	1,510
1,682	206,929	2,081	2,081	3,061
2,078	227,509	2,304	2,304	4,922
3,964	233,372	2,414	2,414	10,205
7,492	220,996	2,323	2,323	12,289
18,099	261,806	2,854	2,854	24,029
239,335	237,946	2,841	2,841	44,172
<b>\$ 275,585</b>	<b>\$ 2,301,737</b>	<b>\$ 23,897</b>	<b>\$ 23,897</b>	<b>\$ 102,944</b>
\$ 620	\$ 1,035,203	\$ 10,251	\$ 10,251	\$ 520
2,710	1,199,678	11,891	11,891	1,827
5,961	1,430,168	14,207	14,207	5,274
8,315	1,275,002	12,701	12,701	8,245
8,980	1,259,749	12,562	12,562	9,239
12,462	1,211,520	12,103	12,103	11,017
23,935	1,231,046	12,377	12,377	18,006
42,655	1,216,695	12,364	12,364	25,161
101,651	1,394,663	14,595	14,595	71,752
1,485,837	1,477,597	16,774	16,774	184,794
<b>\$ 1,693,126</b>	<b>\$ 12,731,320</b>	<b>\$ 129,825</b>	<b>\$ 129,825</b>	<b>\$ 335,837</b>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the Year Ended June 30, 2017

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>	<b>Taxes Collected to Date</b>
<b>Dulce Independent #21</b>				
2007	\$ 352,929	\$ (540)	\$ 15	\$ 350,689
2008	807,616	(1,290)	36	801,410
2009	782,844	(1,570)	30	777,621
2010	1,705,764	(3,685)	910	1,693,039
2011	781,141	51,063	443	827,657
2012	672,514	12,154	2,269	679,714
2013	999,423	19,260	2,561	1,010,068
2014	894,579	17,646	8,825	902,897
2015	1,374,204	45,292	18,441	1,400,365
2016	2,382,362	72,728	2,406,858	2,406,858
	<b>\$ 10,753,377</b>	<b>\$ 211,058</b>	<b>\$ 2,440,388</b>	<b>\$ 10,850,320</b>

**Penasco #32**

2007	\$ 18,136	\$ (11)	\$ -	\$ 17,826
2008	25,349	(12)	-	24,964
2009	41,176	1	-	40,513
2010	31,833	(16)	-	31,191
2011	10,407	(7)	57	10,121
2012	14,544	(739)	183	13,471
2013	23,253	(394)	687	22,147
2014	22,602	(410)	1,948	21,151
2015	22,613	(63)	2,629	20,404
2016	23,057	54	19,293	19,292
	<b>\$ 232,970</b>	<b>\$ (1,598)</b>	<b>\$ 24,797</b>	<b>\$ 221,081</b>

**Española 45IN&Out**

2007	\$ 1,961,117	\$ (5,361)	\$ 2,326	\$ 1,936,221
2008	2,329,695	(7,190)	2,780	2,294,856
2009	2,323,036	(7,720)	3,860	2,281,845
2010	2,368,898	(9,866)	5,846	2,324,980
2011	2,372,103	(14,795)	8,940	2,315,343
2012	2,355,363	(58,952)	13,180	2,247,499
2013	3,674,126	(38,280)	55,016	3,532,954
2014	3,308,532	(36,975)	116,440	3,153,985
2015	3,599,780	16,122	262,387	3,361,899
2016	4,624,070	(23,903)	3,975,078	3,975,078
	<b>\$ 28,916,721</b>	<b>\$ (186,920)</b>	<b>\$ 4,445,854</b>	<b>\$ 27,424,659</b>

See independent auditors' report.

<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>Current Amount Uncollectible</b>	<b>Allowance for Doubtful Accounts</b>	<b>County Taxes Receivable, net at Year End</b>
\$ 15	\$ 350,689	\$ 1,700	\$ 1,700	\$ -
36	801,410	4,916	4,916	-
400	777,621	3,653	3,653	-
1,152	1,693,039	9,040	9,040	-
553	827,657	4,547	4,547	-
2,215	679,569	4,954	4,954	-
2,630	1,009,926	8,615	8,615	-
8,459	902,147	8,940	8,940	388
17,137	1,398,185	13,911	13,911	5,220
2,404,604	2,403,545	24,060	24,060	24,171
<b>\$ 2,437,200</b>	<b>\$ 10,843,790</b>	<b>\$ 84,336</b>	<b>\$ 84,336</b>	<b>\$ 29,779</b>
\$ -	\$ 17,826	\$ 178	\$ 178	\$ 121
-	24,964	248	248	125
-	40,513	404	404	259
-	31,191	312	312	314
58	10,121	102	102	176
185	13,471	135	135	199
741	22,147	224	224	489
1,628	20,731	217	217	824
2,982	20,182	221	221	1,924
18,987	18,982	226	226	3,592
<b>\$ 24,582</b>	<b>\$ 220,127</b>	<b>\$ 2,267</b>	<b>\$ 2,267</b>	<b>\$ 8,024</b>
\$ 2,717	\$ 1,936,040	\$ 19,166	\$ 19,166	\$ 369
3,692	2,294,735	22,761	22,761	4,888
4,605	2,281,339	22,690	22,690	10,782
6,772	2,324,335	23,119	23,119	10,933
9,781	2,314,823	23,102	23,102	18,863
14,735	2,246,709	22,505	22,505	26,407
64,291	3,530,970	35,631	35,631	67,261
111,794	3,135,545	32,061	32,061	85,511
287,285	3,343,314	35,436	35,436	218,568
3,915,194	3,899,819	45,082	45,082	580,007
<b>\$ 4,420,865</b>	<b>\$ 27,307,630</b>	<b>\$ 281,553</b>	<b>\$ 281,553</b>	<b>\$ 1,023,589</b>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the Year Ended June 30, 2017

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>	<b>Taxes Collected to Date</b>
<b>Jemez Mtn #53</b>				
2007	\$ 214,296	\$ (493)	\$ 145	\$ 211,210
2008	230,755	(1,147)	132	227,025
2009	297,168	(646)	488	292,704
2010	341,752	(770)	673	336,097
2011	364,059	(13,582)	1,049	344,993
2012	244,752	5,731	1,113	246,218
2013	276,660	2,041	2,284	273,528
2014	172,627	4,768	3,238	173,752
2015	191,226	8,242	8,196	192,430
2016	205,846	(241)	189,963	189,963
	<b>\$ 2,539,140</b>	<b>\$ 3,903</b>	<b>\$ 207,280</b>	<b>\$ 2,487,921</b>

**Hospital**

2007	\$ 2,211,457	\$ (4,812)	\$ 1,729	\$ 2,185,943
2008	2,301,310	(6,333)	2,729	2,270,150
2009	2,488,665	(6,701)	4,856	2,449,681
2010	2,499,118	(9,286)	7,485	2,456,176
2011	2,543,747	(1,687)	10,120	2,501,762
2012	2,666,298	(45,529)	15,870	2,571,946
2013	3,341,384	(16,710)	44,440	3,240,769
2014	3,383,296	(14,982)	105,361	3,262,284
2015	3,416,703	30,409	210,903	3,241,638
2016	3,463,909	(2,352)	3,061,714	3,061,714
	<b>\$ 28,315,887</b>	<b>\$ (77,982)</b>	<b>\$ 3,465,207</b>	<b>\$ 27,242,063</b>

**Chama SWCD**

2007	\$ 86,927	\$ (73)	\$ 40	\$ 85,788
2008	91,590	(171)	206	90,205
2009	102,088	(176)	443	100,301
2010	102,239	(449)	674	99,867
2011	104,523	(945)	694	101,655
2012	113,088	(3,681)	965	107,151
2013	111,876	(1,168)	1,522	107,862
2014	114,698	(1,246)	3,512	109,983
2015	117,268	(1,200)	7,277	109,488
2016	119,735	(599)	105,291	105,291
	<b>\$ 1,064,031</b>	<b>\$ (9,708)</b>	<b>\$ 120,624</b>	<b>\$ 1,017,591</b>

See independent auditors' report.



<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>Current Amount Uncollectible</b>	<b>Allowance for Doubtful Accounts</b>	<b>County Taxes Receivable, net at Year End</b>
\$ 145	\$ 211,210	\$ 2,095	\$ 2,095	\$ 498
242	227,025	2,250	2,250	334
488	292,704	2,906	2,906	911
745	335,989	3,342	3,342	1,543
1,136	344,842	3,435	3,435	2,049
1,132	246,112	2,455	2,455	1,810
2,281	273,313	2,731	2,731	2,441
3,053	173,333	1,738	1,738	1,904
8,309	191,755	1,955	1,955	5,082
188,941	188,523	2,015	2,015	13,627
<b>\$ 206,470</b>	<b>\$ 2,484,805</b>	<b>\$ 24,922</b>	<b>\$ 24,922</b>	<b>\$ 30,200</b>
\$ 2,047	\$ 2,185,839	\$ 20,702	\$ 20,702	\$ -
3,348	2,270,087	22,491	22,491	2,336
5,515	2,449,400	24,323	24,323	7,961
8,084	2,455,733	24,400	24,400	9,256
10,857	2,501,202	24,912	24,912	15,386
17,250	2,571,043	25,684	25,684	23,139
50,819	3,238,601	32,582	32,582	51,324
100,672	3,245,748	33,009	33,009	73,021
228,554	3,225,096	33,782	33,782	171,692
3,023,427	3,012,368	33,923	33,923	365,920
<b>\$ 3,450,573</b>	<b>\$ 27,155,118</b>	<b>\$ 275,808</b>	<b>\$ 275,808</b>	<b>\$ 720,033</b>
\$ 40	\$ 85,787	\$ 851	\$ 851	\$ 216
206	90,205	896	896	318
444	100,301	999	999	612
670	99,859	998	998	925
695	101,646	1,015	1,015	908
1,030	107,113	1,072	1,072	1,183
1,635	107,749	1,085	1,085	1,761
3,286	109,361	1,112	1,112	2,356
7,752	108,778	1,137	1,137	5,442
103,904	103,425	1,168	1,168	12,677
<b>\$ 119,661</b>	<b>\$ 1,014,224</b>	<b>\$ 10,333</b>	<b>\$ 10,333</b>	<b>\$ 26,400</b>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the Year Ended June 30, 2017

	<b>Property Taxes Levied</b>		<b>Adjustments to Taxes Collected to Date</b>		<b>Taxes Collected Current year</b>		<b>Taxes Collected to Date</b>
<b>East Española SWCD</b>							
2007	\$ 65,619	\$	(173)	\$	93	\$	64,684
2008	227,732		(624)		316		224,090
2009	291,497		(946)		607		286,520
2010	293,568		(1,182)		937		287,637
2011	298,430		(1,656)		1,273		290,899
2012	321,708		(6,742)		1,913		307,569
2013	331,059		(3,163)		5,199		317,944
2014	343,441		(1,315)		12,502		327,998
2015	349,359		3,451		24,574		326,371
2016	356,493		(1,746)		304,083		304,083
	<b>\$ 2,878,906</b>	<b>\$</b>	<b>(14,096)</b>	<b>\$</b>	<b>351,496</b>	<b>\$</b>	<b>2,737,794</b>

<b>Cuba SWCD</b>							
2007	\$ 49,030	\$	(113)	\$	34	\$	48,323
2008	56,150		(280)		32		55,240
2009	63,003		(136)		102		62,064
2010	67,505		(154)		134		66,381
2011	64,822		(2,390)		188		61,451
2012	64,578		1,462		297		64,907
2013	69,758		476		589		68,916
2014	63,844		870		1,181		63,299
2015	67,705		3,328		2,573		68,740
2016	73,838		(45)		68,752		68,752
	<b>\$ 640,232</b>	<b>\$</b>	<b>3,018</b>	<b>\$</b>	<b>73,881</b>	<b>\$</b>	<b>628,073</b>

<b>Upper Rio Grande Water Shed</b>							
2007	\$ -	\$	-	\$	-	\$	-
2008	-		-		-		-
2009	-		-		-		-
2010	-		-		-		-
2011	-		-		-		-
2012	-		-		-		-
2013	-		-		-		-
2014	270,078		(92,195)		7,881		170,927
2015	180,076		(1,248)		14,608		163,383
2016	141,942		(578)		123,903		123,903
	<b>\$ 592,096</b>	<b>\$</b>	<b>(94,020)</b>	<b>\$</b>	<b>146,391</b>	<b>\$</b>	<b>458,213</b>

See independent auditors' report.

<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>Current Amount Uncollectible</b>	<b>Allowance for Doubtful Accounts</b>	<b>County Taxes Receivable, net at Year End</b>
\$ 101	\$ 64,677	\$ 641	\$ 641	\$ 121
424	224,071	2,226	2,226	792
748	286,442	2,847	2,847	1,184
1,107	287,536	2,865	2,865	1,884
1,430	290,818	2,908	2,908	2,967
2,200	307,437	3,087	3,087	4,311
6,166	317,727	3,213	3,213	6,739
11,894	325,818	3,353	3,353	10,775
26,694	324,335	3,458	3,458	22,980
299,322	297,956	3,477	3,477	47,187
<b>\$ 350,087</b>	<b>\$ 2,726,818</b>	<b>\$ 28,075</b>	<b>\$ 28,075</b>	<b>\$ 98,941</b>
\$ 34	\$ 48,323	\$ 479	\$ 479	\$ 115
59	55,240	548	548	81
102	62,064	616	616	187
148	66,359	660	660	310
204	61,423	612	612	369
301	64,879	647	647	486
590	68,862	688	688	630
1,050	63,083	634	634	781
2,624	68,501	696	696	1,597
68,509	68,372	723	723	4,318
<b>\$ 73,621</b>	<b>\$ 627,107</b>	<b>\$ 6,303</b>	<b>\$ 6,303</b>	<b>\$ 8,874</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7,733	169,541	-	-	6,956
16,365	161,931	1,743	1,743	13,702
122,081	121,721	1,753	1,753	15,709
<b>\$ 146,180</b>	<b>\$ 453,194</b>	<b>\$ 1,385</b>	<b>\$ 3,496</b>	<b>\$ 36,367</b>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the Year Ended June 30, 2017

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>	<b>Taxes Collected to Date</b>
<b>Grand Total</b>				
2007	\$ 11,684,310	\$ 6,623	\$ 8,909	\$ 11,582,260
2008	13,379,362	(11,802)	16,113	13,225,840
2009	14,464,007	(10,319)	29,039	14,266,538
2010	15,632,470	(28,752)	45,528	15,402,110
2011	14,813,305	30,488	59,618	14,611,876
2012	15,091,454	(273,410)	90,880	14,544,371
2013	17,706,704	(87,031)	227,602	17,182,546
2014	17,620,661	(186,234)	528,157	16,895,083
2015	18,654,056	195,506	1,097,945	17,774,125
2016	21,091,879	28,806	18,880,045	18,880,045
<b>Grand Total</b>	<b>\$ 160,138,210</b>	<b>\$ (336,126)</b>	<b>\$ 20,983,836</b>	<b>\$ 154,364,793</b>

See independent auditors' report.

<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>Current Amount Uncollectible</b>	<b>Allowance for Doubtful Accounts</b>	<b>County Taxes Receivable, net at Year End</b>
\$ 10,466	\$ 11,581,737	\$ 105,941	\$ 105,941	\$ 2,732
19,318	13,225,505	127,199	127,199	14,521
32,676	14,265,062	137,102	137,102	50,049
48,829	15,399,737	144,664	144,664	56,944
63,605	14,608,755	141,861	141,861	90,055
98,345	14,539,461	143,462	143,462	130,211
259,485	17,171,170	171,304	171,304	265,824
506,414	16,813,550	169,113	169,113	370,231
1,195,343	17,689,414	184,718	184,718	890,720
18,661,841	18,600,645	207,352	207,352	2,033,289
<b>\$ 20,896,322</b>	<b>\$ 153,895,035</b>	<b>\$ 1,532,716</b>	<b>\$ 1,532,716</b>	<b>\$ 3,904,576</b>

See independent auditors' report.

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**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Changes in Fiduciary Assets and Liabilities  
 Agency Funds  
 For the Year Ended June 30, 2017

Schedule VII

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Allowance</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 397,649	\$41,610,284	\$41,469,939	\$ -	\$ 537,994
Other tax receivable	198,981	237,184	198,981	-	237,184
Property taxes receivable, net	<u>2,828,095</u>	<u>16,166,984</u>	<u>15,145,552</u>	<u>1,018,505</u>	<u>2,831,022</u>
<i>Total assets</i>	<u>\$ 3,424,725</u>	<u>\$58,014,452</u>	<u>\$56,814,472</u>	<u>\$ 1,018,505</u>	<u>\$ 3,606,200</u>
<b>Liabilities</b>					
Due to other taxing units, inmates and other beneficiaries	<u>\$ 3,424,725</u>	<u>\$58,014,452</u>	<u>\$56,814,472</u>	<u>\$ 1,018,505</u>	<u>\$ 3,606,200</u>
<i>Total liabilities</i>	<u>\$ 3,424,725</u>	<u>\$58,014,452</u>	<u>\$56,814,472</u>	<u>\$ 1,018,505</u>	<u>\$ 3,606,200</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Joint Power Agreements  
 For the Year Ended June 30, 2017

Participants	Responsible Party	Description	Beginning Date
City of Española Village of Chama Ohkay Owingeh Jicarilla Apache Tribe Rio Arriba County	City of Española Rio Arriba County	New Mexico Enhanced 911 Act - To establish and provide a centralized enhanced 911 system and improve public emergency and law enforcement services to citizens.	6/23/1999
City of Española Santa Clara Pueblo San Juan Pueblo Rio Arriba County	Rio Arriba County	North Central Solid Waste Authority - to form a regional solid waste disposal authority in order to comply with the Solid Waste Act, to provide for disposition of solid waste and provide general protection of health, welfare, and safety of the public and to provide staff, management assistance, planning, and facilities.	11/27/2002
City of Española Rio Arriba County	City of Española	The City seeks the concurrence and support of the County in the design, redesign, construction, and reconstruction of the City Hall Expansion, La Joya Fire Station Improvements, Veteran's Memorial Wall Improvements, Library Construction, Computer Technology, and Building/Roofing Renovation.	6/27/2014
Northern New Mexico Community College Rio Arriba County The El Rito Acequia Association	Northern New Mexico Community College	To build and operate a publicly accessible community center for the benefit of students of Northern New Mexico Community College at its El Rito campus.	9/14/2004
City of Española Rio Arriba County	City of Española	Sets forth general terms and conditions under which the County will support the City's efforts to seek State appropriations or other funding.	4/24/2015
City of Española Rio Arriba County	All Parties	Agreement to provide seizure and disposition of all dogs and cats running at large.	7/1/2016
City of Española, County of Los Alamos, Pueblo of Nambe, Pueblo of Pojoaque, Rio Arriba County, Pueblo of San Ildefonso, Pueblo of Ohkay, Owingeh, Pueblo of Santa Clara, City of Santa Fe, Count of Santa Fe, Pueblo of Tesuque and County of Taos	All Parties	The purpose of the District, being a multimodal public transit district formed pursuant to the Act, recognizes as its purpose to finance, construct, operate, maintain, and promote an efficient, sustainable, and regional multimodal transportation system at any location or locations, subject to compliance with the Act.	7/1/2008

See independent auditors' report.



End Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility	Fiscal Agent	Type of Agreement
Indefinite	Not specified	46.50%	Not specified	All parties	None specified	JPA
Indefinite	Not specified	Not specified	Not specified	All parties	Rio Arriba County	JPA
Completion and final acceptance of projects	\$ 1,095,130	County to receive 4% of capital outlay	Not specified	City of Española	None specified	JPA
Indefinite	Not specified	Not specified	Not specified	All parties	Northern New Mexico Community College	JPA
Completion and final acceptance of projects	Not specified	County to receive 4% of funds received from New Mexico for expenditure	Not specified	City of Española	None specified	JPA
6/30/2018	\$75,000	\$6,333 per month	Not specified	All parties	None specified	JPA
Indefinite	Not specified	Not specified	Not specified	All parties	None specified	JPA

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Legislative Grants  
June 30, 2017

<u>Project</u>	<u>Agency</u>	<u>Grant #</u>	<u>Effective Date</u>	<u>Reversion Date</u>
Batann Memorial Building	DFA	16-A2480	8/19/2016	6/30/2020
Alcalde Cementary	DFA	16-A2476	8/19/2016	6/30/2020
Rural Events Center	DFA	16-A2475	8/19/2016	6/30/2020
Detention Center	DFA	16-A2481	8/19/2016	6/30/2020
Chimayo CC & Hernandez CC	DFA	16-A2474	8/19/2016	6/30/2020

**Grand Totals**

See independent auditors' report.

<b>Original Amount</b>	<b>Arts in Public Places</b>	<b>Net Amount</b>	<b>Expenditures to Date</b>	<b>Remaining</b>
\$ 86,000	\$ -	\$ 86,000	\$ -	\$ 86,000
40,000	-	40,000	8,202	31,798
235,000	-	235,000	4,436	230,564
100,000	-	100,000	100,000	-
100,000	-	100,000	-	100,000
<u>\$ 561,000</u>	<u>\$ -</u>	<u>\$ 561,000</u>	<u>\$ 112,638</u>	<u>\$ 448,362</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Financial Data Schedule  
Business-type Activities  
For the Year Ended June 30, 2017

Line Item Number	Description	Low Rent Public Housing Program 14.850	Section 8 Housing Choice Vouchers Program 14.871	Public Housing Capital Fund Program 14.872	Total
111	Cash - Unrestricted	\$ 192,390	\$ 17,963	\$ -	\$ 210,353
114	Cash - Tenant Security Deposits	6,403	-	-	6,403
113	Cash - Other Restricted	-	8,453	-	8,453
100	Total Cash	<u>198,793</u>	<u>26,416</u>	<u>-</u>	<u>225,209</u>
122	Accounts Receivable - HUD Other Projects	148,317	-	-	148,317
125	Accounts Receivable - Miscellaneous	6,869	-	-	6,869
126	Accounts Receivable - Tenants - Dwelling Rents	22,519	-	-	22,519
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(18,418)	-	-	(18,418)
129	Accrued Interest Receivable	83	-	-	83
120	Total Receivables, Net of Allowance for Doubtful Accounts	<u>159,370</u>	<u>-</u>	<u>-</u>	<u>159,370</u>
131	Investments - Unrestricted	59,498	-	-	59,498
130	Total Investments	<u>59,498</u>	<u>-</u>	<u>-</u>	<u>59,498</u>
142	Prepaid Expenses and Other Assets	8,993	1,040	-	10,033
144	Inter Program Due From	1,085	-	-	1,085
150	Total Current Assets	<u>427,739</u>	<u>27,456</u>	<u>-</u>	<u>455,195</u>
161	Land	109,735	-	-	109,735
162	Buildings	5,508,548	-	-	5,508,548
163	Dwellings	60,568	-	-	60,568
164	Administration	133,354	-	-	133,354
166	Accumulated Depreciation	(4,834,474)	-	-	(4,834,474)
167	Construction in progress	14,192	-	-	14,192
160	Total Capital Assets, Net of Accumulated Depreciation	<u>991,923</u>	<u>-</u>	<u>-</u>	<u>991,923</u>
173	Grants Receivable - Non Current	194,875	-	-	194,875
180	Total Non-Current Assets	<u>1,186,798</u>	<u>-</u>	<u>-</u>	<u>1,186,798</u>
200	Deferred Outflow of Resources	80,597	4,289	-	84,886
290	Total Assets and Deferred Outflows of Resources	<u>\$ 1,695,134</u>	<u>\$ 31,745</u>	<u>\$ -</u>	<u>\$ 1,726,879</u>

See independent auditors' report.

<b>Line Item Number</b>	<b>Description</b>	<b>Low Rent Public Housing Program 14.850</b>	<b>Section 8 Housing Choice Vouchers Program 14.871</b>	<b>Public Housing Capital Fund Program 14.872</b>	<b>Total</b>
312	Accounts Payable <= 90 Days	\$ 16,163	\$ 173	\$ -	\$ 16,336
321	Accrued Wage/Payroll Taxes Payable	2,325	-	-	2,325
322	Accrued Compensated Absences - Current Portion	8,638	661	-	9,299
341	Tenant Security Deposits	6,395	-	-	6,395
342	Deferred Revenues	662	-	-	662
346	Accrued Liabilities - Other	3,267	-	-	3,267
347	Inter Program Due To	-	1,085	-	1,085
310	Total Current Liabilities	<u>37,450</u>	<u>1,919</u>	<u>-</u>	<u>39,369</u>
354	Accrued Compensated Absences - Non-Current	4,457	330	-	4,787
357	Accrued Pension and OPEB Liabilities	<u>186,212</u>	<u>26,275</u>	<u>-</u>	<u>212,487</u>
350	Total Non-Current Liabilities	<u>190,669</u>	<u>26,605</u>	<u>-</u>	<u>217,274</u>
300	Total Liabilities	<u>228,119</u>	<u>28,524</u>	<u>-</u>	<u>256,643</u>
400	Deferred Inflow of Resources	<u>18,055</u>	<u>2,970</u>	<u>-</u>	<u>21,025</u>
508.1	Net investment in capital assets	991,923	-	-	991,923
511	Restricted	-	8,453	-	8,453
512.1	Unrestricted	<u>457,037</u>	<u>(8,202)</u>	<u>-</u>	<u>448,835</u>
513	Total net position	<u>1,448,960</u>	<u>251</u>	<u>-</u>	<u>1,449,211</u>
600	<i>Total Liabilities, Deferred Inflows of Resources and Equity/Net Position</i>	<u>\$ 1,695,134</u>	<u>\$ 31,745</u>	<u>\$ -</u>	<u>\$ 1,726,879</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Financial Data Schedule  
Business-type Activities  
For the Year Ended June 30, 2017

Line Item Number	Description	Low Rent Public Housing Program 14.850	Section 8 Housing Choice Vouchers Program 14.871	Public Housing Capital Fund Program 14.872	Total
70300	Net Tenant Rental Revenue	\$ 111,220	\$ -	\$ -	\$ 111,220
70400	Tenant Revenue - Other	1,864	-	-	1,864
70500	Total Tenant Revenue	113,084	-	-	113,084
70600	HUD PHA Operating Grants	134,125	70,209	75,573	279,907
70610	Capital Grants	-	-	14,192	14,192
71100	Investment Income - Unrestricted	326	58	-	384
71500	Other Revenue	82,130	16,307	-	98,437
70000	Total Revenue	329,665	86,574	89,765	506,004
91100	Administrative Salaries	36,699	7,775	-	44,474
91400	Advertising and Marketing	151	-	-	151
91500	Employee Benefit Contributions - Admin	20,408	2,838	-	23,246
91600	Office Expenses	16,337	2,769	-	19,106
91800	Travel	-	949	-	949
91900	Other Operating - Administrative	4,092	1,800	-	5,892
91000	Total Operating - Administrative	77,687	16,131	-	93,818
93100	Water	21,739	-	-	21,739
93200	Electricity	7,194	-	-	7,194
93400	Fuel	1,798	-	-	1,798
93000	Total Utilities	30,731	-	-	30,731
94100	Ordinary Maintenance & Operation - Labor	69,843	-	-	69,843
94200	Ordinary Maintenance & Operation - M & O	12,478	-	6,830	19,308
94300	Ordinary Maintenance & Operation Contracts	12,135	-	-	12,135
94500	Employee Benefit Contributions - OM	16,292	-	-	16,292
94000	Total Maintenance	110,748	-	6,830	117,578
96140	All Other Insurance	18,539	-	-	18,539
96100	Total Insurance Premiums	18,539	-	-	18,539
96210	Compensated Absences	942	-	-	942
96400	Bad Debt - Tenant Rents	44,178	-	-	44,178
96000	Total Other General	45,120	-	-	45,120
96900	Total Operating Expenses	282,825	16,131	6,830	305,786
97000	Excess Operating Revenue Over Operating Expenses	46,840	70,443	82,935	200,218
97300	Housing Assistance Payments	-	56,467	-	56,467
97350	Other-Hap-Portability In	-	14,890	-	14,890
97400	Depreciation Expense	171,685	-	-	171,685
90000	Total Expenses	\$ 454,510	\$ 87,488	\$ 6,830	\$ 548,828

See independent auditors' report.

<b>Line Item Number</b>	<b>Description</b>	<b>Low Rent Public Housing Program 14.850</b>	<b>Section 8 Housing Choice Vouchers Program 14.871</b>	<b>Public Housing Capital Fund Program 14.872</b>	<b>Total</b>
10010	Operating Transfers In	\$ 68,743	\$ -	\$ -	\$ 68,743
10020	Operating Transfers Out	-	-	(68,743)	(68,743)
10100	Total Other Financing Sources (Uses)	68,743	-	(68,743)	-
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(56,102)	(914)	14,192	(42,824)
11030	Beginning Equity	1,473,263	686	-	1,473,949
11040-010	Prior Period Adjustments and Correction of Errors	17,607	479	-	18,086
11040-070	Equity Transfers	14,192	-	(14,192)	-
11170	Administrative Fee Equity	-	(8,202)	-	(8,202)
11180	Housing Assistance Payments Equity	-	8,453	-	8,453
	<i>Ending Equity (deficit)</i>	<u>\$ 1,448,960</u>	<u>\$ 251</u>	<u>\$ -</u>	<u>\$ 1,449,211</u>
11190	Unit Months Available	636	170	-	806
11210	Number of Unit Months Leased	563	170	-	733
11270	<i>Excess Cash</i>	<u>\$ 358,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,606</u>
11620	<i>Building Purchases</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
11640	<i>Furniture &amp; Equipment Purchased</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,192</u>	<u>\$ 14,192</u>

See independent auditors' report.

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## **COMPLIANCE SECTION**



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

**INDEPENDENT AUDITORS' REPORT**

Timothy Keller  
New Mexico State Auditor  
The County Manager and  
County Commissioners  
Rio Arriba County  
Tierra Amarilla, New Mexico

We have audited, 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, the financial statements of the governmental activities, , the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund and major special revenue fund of Rio Arriba County New Mexico (the "County") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 29, 2017.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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 governances.

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

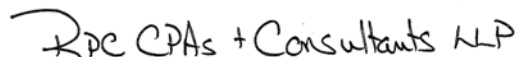
We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as items NM 2017-001, NM 2017-002, and CUNM 2017-001.

## **County's Responses to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



RPC CPAs + Consultants, LLP  
Albuquerque, New Mexico  
November 29, 2017

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**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Findings and Responses  
For the Year Ended June 30, 2017

**Section I – Summary of Auditors’ Results**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | None noted |

**Section II – Financial Statement Findings**

**County:**

None noted.

**Component Unit:**

None noted.

**Section III – Section 12-6-5 NMSA 1978 Findings**

**County:**

**NM 2017-001 — Advanced Payment of Services (Other Noncompliance)**

*Condition:* The County paid a vendor invoice for services before they were performed.

*Criteria:* The County's policies and procedures dictate that payments be made to vendors only when the requesting department has verified that the goods were received or services completed. Additionally, Article IX, Section 14, of the Constitution of the State of New Mexico states that the County shall not directly or indirectly lend or pledge its credit to or in aid of a private corporation or enterprise.

*Effect:* The County did not follow its policies and procedures and violated Article IX of the Constitution of the State of New Mexico.

*Cause:* An invoice was signed by the requesting department and submitted to the central finance office for payment prior to the invoiced services being completed. The central finance office then issued a check for payment based on the approved invoice. As of the date of the audit report, the services paid for have commenced.

*Auditors' Recommendations:* We recommend that the County provide training about the County's purchasing policies to the individuals in each department responsible for purchasing. We also recommend that the County ensure that each invoice paid is for services already rendered.

*Views of Responsible Officials and Planned Corrective Actions:* The County agrees and has already put additional policies and procedures in place at the departments and in the central finance office to assist in preventing an instance like this from happening in the future.

**Section III – Section 12-6-5 NMSA 1978 Findings (continued)**

**NM 2017-002 — DFA Cash Report Does Not Reconcile to the County’s Cash (Other Noncompliance)**

*Condition:* At June 30, 2017, the County’s cash did not tie to the report submitted to the Department of Finance and Administration. The County’s cash differed from the DFA report by \$325,465 in the Trust and Agency Funds category (700).

*Criteria:* Per Section 6-6-3 NMSA 1978, every local public body shall:

- Keep all the books, records and accounts in their respective offices in the form prescribed by the local government division
- Make all reports as may be required by the local government division, and
- Conform to the rules and regulations adopted by the local government division.

*Effect:* The information that is reported to DFA is incomplete.

*Cause:* County management is not ensuring that agency cash balance and reconciled cash in total tie to the DFA report.

*Auditors’ Recommendations:* We recommend the County communicate with DFA regarding what the requirements are for reporting cash balances, report what is required by DFA, and ensure that cash balances reported to DFA tie to the trial balance and bank reconciliations.

*Views of Responsible Officials and Planned Corrective Actions:* The County Treasurer is the tax collector and investor of public funds for Rio Arriba County and is charged with keeping all books, records, and funds pertaining to the County Treasurer’s Office ready for financial audits, inspection by the Board of County Commission, and the State Department of Finance. The Treasurer’s Office will continue to work together with Finance to include deposits in transit, detention center cash, petty cash, and the State Pool LGIP in order to ensure proper and accurate reporting to DFA going forward.

**Component Unit:**

**CUNM 2017-001 Stale Dated Checks (Other noncompliance)**

*Condition:* The Authority had 3 stale dated checks totaling \$397 at June 30, 2017.

*Criteria:* Per Section 6-10-57, NMSA 1978 whenever any warrant issued by the state, county, municipality, school district or special district is unpaid for one year after it becomes payable, the fiscal officer shall cancel it.

*Effect:* The Authority was not in compliance with state statute regarding stale dated checks.

*Cause:* The Authority did not adequately monitor outstanding checks to ensure compliance with state statute.

*Auditors’ Recommendations:* We recommend that the stale checks be researched to determine if they have been paid or received, or need to be voided and reissued as soon as possible. Also, a procedure should be implemented to track stale dated checks on a periodic basis. Additionally, the Authority should follow the State of New Mexico Escheatment Laws.

*Views of Responsible Officials and Planned Corrective Actions:* The Authority agrees with the finding and has resolved the issue as of the date of the audit report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Findings and Responses  
For the Year Ended June 30, 2017

Schedule XI  
Page 4 of 4

**Section IV – Prior Year Audit Findings**

**County:**

FS 2016-001 Preparation of the Schedule of Federal Expenditures (SEFA) - (Significant Deficiency) – Resolved

NM 2016-002 Deficiency in Internal Controls over Review of the Payroll Transaction Cycle - (Finding that does not rise to the level of significant deficiency) - Resolved

NM 2016-003 Campaign contribution disclosure and prohibition - (Finding that does not rise to the level of significant deficiency) - Resolved

**Component Unit:**

CUFS 2016-001 Untimely PERA Contributions (Finding that does not rise to the level of a significant deficiency) - Resolved



**STATE OF NEW MEXICO**  
Rio Arriba County  
Other Disclosures  
For the Year Ended June 30, 2017

**Exit Conference**

The contents of this report were discussed on November 30, 2017 at Rio Arriba County, Tierra Amarilla offices in a closed executive session in compliance with the Open Meetings Act. The following individuals were in attendance:

**Representing Rio Arriba County**

Christine Montano	Director of Finance
Guadalupe Mercure	Asst. Director of Finance
Juanita Salazar	Chief Deputy Treasurer
Danny Garcia	Commissioner
Livia Olguin	Treasurer
Tomas Campos	County Manager
Gilbert Martinez	Treasurer's Accountant
Tim Machado	Treasurer's Department
Lorrie Leyba	Housing Authority Director

**Representing RPC CPAs + Consultants, LLP**

Danny Martinez, CPA, CGFM, CGMA	Partner
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**Auditor Prepared Financials**

RPC CPAs + Consultants, LLP prepared the GAAP-basis financial statements and footnotes of the County from the original books and records provide to them by the management of the County. The responsibility for the financial statements remains with the County.