

Rio Arriba County  
Financial Statements  
For the Year Ended June 30, 2018



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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Annual Financial Report  
 June 30, 2018  
 Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents		4-5
Official Roster		6
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		8-10
<b>BASIC FINANCIAL STATEMENTS</b>		
Government-wide Financial Statements:		
Statement of Net Position	A-1	12-13
Statement of Activities	A-2	14-15
Fund Financial Statements:		
Balance Sheet - Governmental Funds	B-1	16-17
Reconciliation of the Balance Sheet to the Statement of Net Position		19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	20-21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		22
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual:		
General Fund	C-1	23
Indigent Fund Special Revenue Fund	C-2	24
Correctional Facility Special Revenue Fund	C-2	25
Statement of Net Position - Proprietary Funds	D-1	26-27
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	D-2	28
Statement of Cash Flows - Proprietary Funds	D-3	29
Statement of Fiduciary Assets and Liabilities - Agency Funds	E-1	30
NOTES TO THE FINANCIAL STATEMENTS		31-78
	<u>Statement/ Schedule</u>	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Schedule of Proportionate Share of the Net Pension Liability	A-1	80-83
Schedule of the County's Contributions - Public Employees Retirement Association Plan	A-2	84-87
Notes to Required Supplementary Information		88
Schedule of Proportionate Share of the Net OPEB Liability	B-1	90
Schedule of the County's Contributions - Retiree Health Care	B-2	91
<b>SUPPLEMENTARY INFORMATION</b>		
Nonmajor Fund Descriptions		94-99
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	A-1	100-107
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	A-2	108-114

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Annual Financial Report  
 June 30, 2018  
 Table of Contents

	Statement/ Schedule	Page
<b>SUPPORTING SCHEDULES</b>		
Schedule of Deposit and Investment Accounts	I	116-117
Schedule of Collateral Pledged by Depository For Public Funds	II	118
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds	III	119
County Treasurer's Property Tax Schedule	IV	120-131
Schedule of Tax Roll Reconciliation- Property Tax Receivable	V	132
<b>COMPLIANCE SECTION</b>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		134-135
<b>FEDERAL FINANCIAL ASSISTANCE</b>		
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance		138-139
Schedule of Expenditures of Federal Awards	VI	140-142
Schedule of Findings and Questioned Costs	VII	143-147
<b>OTHER DISCLOSURES</b>		148

**STATE OF NEW MEXICO**

Rio Arriba County

Official Roster

June 30, 2018

**Elected Officials**

<b><u>Name</u></b>	<b><u>Title</u></b>
Barney Trujillo	Commissioner - Chairman
Alex Naranjo	Commissioner
Danny Garcia	Commissioner

**Department Heads**

Tomas Campos III	County Manager
Christine Montano	Finance Director
Adan Trujillo	Attorney
Leo Marquez	Deputy County Manager
Guadalupe Mercure	Assistant Finance Director

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

County Commissioners  
Rio Arriba County  
Wayne Johnson  
New Mexico State Auditor  
U.S. Office of Management and Budget  
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 comparisons for the general fund and major special revenue funds of the Rio Arriba County (the County), as of and for the year ended June 30, 2018, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund and major special revenue funds of the County, as of June 30, 2018, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Schedules A-1 and A-2, the notes to the Required Supplementary Information, and Schedules B-1 and B-2 on pages 80 through 91 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.

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not 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 financial statements is not affected by the missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Supporting Schedules III through V required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements

The combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards and Supporting Schedules I through IV required by Section 2.2.2 NMAC 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 the auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, and the Supporting Schedules I through IV required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2018 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.

A handwritten signature in blue ink that reads "Cordova CPAs LLC". The signature is written in a cursive, flowing style.

Cordova CPAs LLC  
Albuquerque, New Mexico  
November 26, 2018

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Net Position  
June 30, 2018

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 15,433,179	\$ 257,052	\$ 15,690,231
Investments	10,765,169	59,649	10,824,818
Receivables:			
Property taxes	1,720,080	-	1,720,080
Other taxes	1,628,165	-	1,628,165
Due from other governments	1,767,338	152,418	1,919,756
Other receivables	-	14,294	14,294
Prepaid expenses	-	10,411	10,411
<i>Total current assets</i>	<u>31,313,931</u>	<u>493,824</u>	<u>31,807,755</u>
Noncurrent assets			
Restricted cash and cash equivalents	1,321,855	20,387	1,342,242
Due from other governments	-	177,186	177,186
Capital assets	145,530,104	5,845,573	151,375,677
Less: accumulated depreciation	<u>(61,689,559)</u>	<u>(5,000,676)</u>	<u>(66,690,235)</u>
<i>Total noncurrent assets</i>	<u>85,162,400</u>	<u>1,042,470</u>	<u>86,204,870</u>
<i>Total assets</i>	<u>116,476,331</u>	<u>1,536,294</u>	<u>118,012,625</u>
<b>Deferred outflows of resources</b>			
Deferred outflows- pension	4,656,774	46,947	4,703,721
Deferred outflows- OPEB	183,495	-	183,495
<i>Total deferred outflows of resources</i>	<u>4,840,269</u>	<u>46,947</u>	<u>4,887,216</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 121,316,600</u>	<u>\$ 1,583,241</u>	<u>\$ 122,899,841</u>

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 204,223	\$ 21,996	\$ 226,219
Accrued payroll	538,547	4,552	543,099
Accrued compensated absences	71,035	8,080	79,115
Accrued interest	16,999	-	16,999
Unearned revenue	-	943	943
Current portion of loans and bonds payable	337,824	-	337,824
<i>Total current liabilities</i>	<u>1,168,628</u>	<u>35,571</u>	<u>1,204,199</u>
Noncurrent liabilities			
Accrued compensated absences	553,668	-	553,668
Loans and bonds payable	6,937,187	-	6,937,187
Tenant deposits	-	6,435	6,435
Net pension liability	19,683,845	185,501	19,869,346
Net OPEB liability	10,329,949	-	10,329,949
<i>Total noncurrent liabilities</i>	<u>37,504,649</u>	<u>191,936</u>	<u>37,696,585</u>
<i>Total liabilities</i>	<u>38,673,277</u>	<u>227,507</u>	<u>38,900,784</u>
<b>Deferred inflows of resources</b>			
Deferred inflows- pension	2,521,612	23,176	2,544,788
Deferred inflows- OPEB	2,351,072	-	2,351,072
<i>Total deferred inflows of resources</i>	<u>4,872,684</u>	<u>23,176</u>	<u>4,895,860</u>
<b>Net position</b>			
Net investment in capital assets	76,565,534	844,897	77,410,431
Restricted for:			
Debt service	240,368	-	240,368
Capital projects	6,548,243	-	6,548,243
Special revenue projects	16,580,785	13,938	16,594,723
Unrestricted	(22,164,291)	473,723	(21,690,568)
<i>Total net position</i>	<u>77,770,639</u>	<u>1,332,558</u>	<u>79,103,197</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 121,316,600</u>	<u>\$ 1,583,241</u>	<u>\$ 122,899,841</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, 2018

<u>Functions/Programs</u>	<u>Program Revenues</u>			
<b>Primary Government</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities:</b>				
General government	\$ 10,913,582	\$ 1,472,365	\$ 3,580,871	\$ -
Public safety	11,600,992	181,913	1,832,712	1,938,811
Public works	2,145,865	615	869,122	-
Culture and recreation	997,352	2,963	13,771	-
Health and welfare	4,183,022	-	3,284,862	131,605
Interest and other costs	236,833	-	-	-
<i>Total governmental activities</i>	<u>30,077,646</u>	<u>1,657,856</u>	<u>9,581,338</u>	<u>2,070,416</u>
<b>Business-type Activities:</b>				
Housing authority	595,567	202,501	251,436	19,176
<i>Total business-type activities</i>	<u>595,567</u>	<u>202,501</u>	<u>251,436</u>	<u>19,176</u>
<i>Total</i>	<u>\$ 30,673,213</u>	<u>\$ 1,860,357</u>	<u>\$ 9,832,774</u>	<u>\$ 2,089,592</u>

**General Revenues:**

Taxes:

  Property taxes

  Gross receipts taxes

  Oil and gas, franchise and motor vehicle

  Lodger's taxes

Investment income

Miscellaneous revenue

Total general revenues

Change in net position

Net position, beginning

Net position, restatement (note 12)

Net position, as restated

Net position, ending

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

**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (5,860,346)	\$ -	\$ (5,860,346)
(7,647,556)	-	(7,647,556)
(1,276,128)	-	(1,276,128)
(980,618)	-	(980,618)
(766,555)	-	(766,555)
(236,833)	-	(236,833)
<u>(16,768,036)</u>	<u>-</u>	<u>(16,768,036)</u>
-	(122,454)	(122,454)
-	(122,454)	(122,454)
<u>(16,768,036)</u>	<u>(122,454)</u>	<u>(16,890,490)</u>
7,030,719	-	7,030,719
5,393,686	-	5,393,686
5,871,802	-	5,871,802
82,273	-	82,273
129,207	801	130,008
331,671	5,000	336,671
<u>18,839,358</u>	<u>5,801</u>	<u>18,845,159</u>
<u>2,071,322</u>	<u>(116,653)</u>	<u>1,954,669</u>
87,969,648	1,449,211	89,418,859
<u>(12,270,331)</u>	<u>-</u>	<u>(12,270,331)</u>
<u>75,699,317</u>	<u>1,449,211</u>	<u>77,148,528</u>
<u>\$ 77,770,639</u>	<u>\$ 1,332,558</u>	<u>\$ 79,103,197</u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Balance Sheet  
Governmental Funds  
June 30, 2018

	<b>General Fund</b>	<b>Indigent Fund</b>	<b>Correctional Facility</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,138,207	\$ 1,611,115	\$ 472,763
Investments	-	1,921,402	-
Receivables:			
Property taxes	1,720,080	-	-
Other taxes	986,333	114,357	82,001
Due from other governments	11,430	-	27,480
<i>Total assets</i>	<b>\$ 8,856,050</b>	<b>\$ 3,646,874</b>	<b>\$ 582,244</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<i>Liabilities</i>			
Accounts payable	\$ 51,221	\$ 4,857	\$ 104,424
Accrued payroll expenses	298,208	308	70,249
<i>Total liabilities</i>	349,429	5,165	174,673
<i>Deferred inflows of resources</i>			
Unavailable revenue - property taxes	1,361,723	-	-
Unavailable revenue - loan proceeds	-	-	-
<i>Total deferred inflows of resources</i>	1,361,723	-	-
<i>Fund balances</i>			
<i>Spendable:</i>			
<i>Restricted for:</i>			
General county operations	-	-	-
Public safety	-	-	407,571
Culture and recreation	-	-	-
Health and welfare	-	3,641,709	-
Transportation and roads	-	-	-
County property valuation	-	-	-
Capital improvements	-	-	-
Debt service	-	-	-
<i>Committed to:</i>			
Minimum fund balance	6,675,824	-	-
<i>Assigned to:</i>			
Economic development	-	-	-
Capital projects	-	-	-
Unassigned	469,074	-	-
<i>Total fund balances</i>	7,144,898	3,641,709	407,571
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<b>\$ 8,856,050</b>	<b>\$ 3,646,874</b>	<b>\$ 582,244</b>

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



<u>Landfill Closure</u>	<u>County Funded Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 142,489	\$ 1,735,279	\$ 6,655,181	\$ 16,755,034
-	3,935,534	4,908,233	10,765,169
-	-	-	1,720,080
-	105,049	340,425	1,628,165
<u>601,205</u>	<u>-</u>	<u>1,127,223</u>	<u>1,767,338</u>
<u>\$ 743,694</u>	<u>\$ 5,775,862</u>	<u>\$ 13,031,062</u>	<u>\$ 32,635,786</u>
\$ -	\$ 2,679	\$ 41,042	\$ 204,223
-	-	169,782	538,547
<u>-</u>	<u>2,679</u>	<u>210,824</u>	<u>742,770</u>
-	-	-	1,361,723
<u>601,205</u>	<u>-</u>	<u>-</u>	<u>601,205</u>
<u>601,205</u>	<u>-</u>	<u>-</u>	<u>1,962,928</u>
142,489	-	1,166,860	1,309,349
-	-	6,163,248	6,570,819
-	-	80,547	80,547
-	-	647,422	4,289,131
-	5,773,183	3,290,813	9,063,996
-	-	4,907	4,907
-	-	120,795	120,795
-	-	257,367	257,367
-	-	-	6,675,824
-	-	34,020	34,020
-	-	1,054,259	1,054,259
<u>-</u>	<u>-</u>	<u>-</u>	<u>469,074</u>
<u>142,489</u>	<u>5,773,183</u>	<u>12,820,238</u>	<u>29,930,088</u>
<u>\$ 743,694</u>	<u>\$ 5,775,862</u>	<u>\$ 13,031,062</u>	<u>\$ 32,635,786</u>

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

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**STATE OF NEW MEXICO**  
Rio Arriba County  
Reconciliation of the Balance Sheet to the Statement of Net Position  
Governmental Funds  
June 30, 2018

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

Fund balances - total governmental funds	\$	29,930,088
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		83,840,545
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		1,361,723
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		601,205
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in funds:		
Deferred outflows- pension		4,656,774
Deferred outflows- OPEB		183,495
Deferred inflows- pension		(2,521,612)
Deferred inflows- OPEB		(2,351,072)
Certain liabilities, including loans and bonds payable and related components, accrued interest, the net pension and OPEB liabilities, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued compensated absences		(624,703)
Accrued interest		(16,999)
Loans and bonds payable		(7,275,011)
Net pension liability		(19,683,845)
Net OPEB liability		(10,329,949)
		77,770,639
<i>Net position of governmental activities</i>	<b>\$</b>	<b><u><u>77,770,639</u></u></b>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018

	<u>General Fund</u>	<u>Indigent Fund</u>	<u>Correctional Facility</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 5,911,312	\$ -	\$ -
Gross receipts taxes	1,996,887	545,426	521,367
Gasoline, franchise, and motor vehicle	4,899,015	406,778	-
Lodgers tax	-	-	-
Intergovernmental:			
Federal operating grants	3,232,674	-	-
State operating grants	621,585	-	33,701
State capital grants	-	-	-
Charges for services	312,507	-	-
Licenses and fees	949,423	-	-
Investment income	11,455	-	-
Miscellaneous	128,199	-	-
<i>Total revenues</i>	<u>18,063,057</u>	<u>952,204</u>	<u>555,068</u>
<i>Expenditures</i>			
Current:			
General government	8,126,345	-	-
Public safety	2,157,330	-	4,290,785
Public works	182,944	-	-
Culture and recreation	308,053	-	-
Health and welfare	366,322	363,762	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>11,140,994</u>	<u>363,762</u>	<u>4,290,785</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,922,063</u>	<u>588,442</u>	<u>(3,735,717)</u>
<i>Other financing sources (uses)</i>			
Loan proceeds	-	-	-
Transfers in	955,213	-	4,130,362
Transfers (out)	(6,178,568)	-	-
<i>Total other financing sources (uses)</i>	<u>(5,223,355)</u>	<u>-</u>	<u>4,130,362</u>
<i>Net change in fund balance</i>	1,698,708	588,442	394,645
<i>Fund balance - beginning of year</i>	5,652,108	3,053,267	12,926
<i>Fund balance - reclassification</i>	(205,918)	-	-
<i>Fund balance - beginning of year as reclassified</i>	<u>5,446,190</u>	<u>3,053,267</u>	<u>12,926</u>
<i>Fund balance - end of year</i>	<u>\$ 7,144,898</u>	<u>\$ 3,641,709</u>	<u>\$ 407,571</u>

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

<u>Landfill Closure</u>	<u>County Funded Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 192,054	\$ 6,103,366
-	628,498	1,701,508	5,393,686
-	-	566,009	5,871,802
-	-	82,273	82,273
-	-	2,559,990	5,792,664
-	-	3,133,388	3,788,674
-	-	2,070,416	2,070,416
-	-	395,311	707,818
-	-	615	950,038
-	113,096	4,656	129,207
53,000	1,825	201,647	384,671
<u>53,000</u>	<u>743,419</u>	<u>10,907,867</u>	<u>31,274,615</u>
-	243,101	863,246	9,232,692
-	-	3,557,715	10,005,830
-	-	1,150,896	1,333,840
-	-	97,716	405,769
-	-	2,773,654	3,503,738
-	118,079	1,549,698	1,667,777
-	-	316,561	316,561
-	-	237,089	237,089
-	<u>361,180</u>	<u>10,546,575</u>	<u>26,703,296</u>
<u>53,000</u>	<u>382,239</u>	<u>361,292</u>	<u>4,571,319</u>
-	-	128,927	128,927
-	-	2,331,912	7,417,487
(397,000)	-	(841,919)	(7,417,487)
<u>(397,000)</u>	-	<u>1,618,920</u>	<u>128,927</u>
(344,000)	382,239	1,980,212	4,700,246
486,489	5,390,944	10,634,108	25,229,842
-	-	205,918	-
<u>486,489</u>	<u>5,390,944</u>	<u>10,840,026</u>	<u>25,229,842</u>
<u>\$ 142,489</u>	<u>\$ 5,773,183</u>	<u>\$ 12,820,238</u>	<u>\$ 29,930,088</u>

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

STATE OF NEW MEXICO

Rio Arriba County

Governmental Funds

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, 2018

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds \$ 4,700,246

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 outlay additions reported in capital outlay expenditures 1,667,777  
Depreciation expense (4,223,112)

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 927,353  
Change in deferred inflows related to loan receivable (53,000)

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

County pension contributions subsequent to measurement date 1,153,073  
County OPEB contributions subsequent to measurement date 183,495  
Net pension expense (2,039,905)  
Net OPEB expense (410,690)

Expenses in the Statement of Activities that do not require current financial  
resources are not reported as expenditures in the funds:

Decrease in accrued interest 256

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 and similar items when debt is first issued, whereas  
these amounts are deferred and amortized in the Statement of Activities:

Increase in accrued compensated absences (21,805)  
Bond proceeds (128,927)  
Principal payments on loans and bonds 316,561

*Change in net position of governmental activities* \$ 2,071,322

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, 2018

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 6,098,326	\$ 6,098,326	\$ 6,192,139	\$ 93,813
Gross receipts	1,271,065	1,271,065	1,878,253	607,188
Gasoline, franchise and motor vehicle	4,471,778	4,471,778	4,854,151	382,373
Intergovernmental:				
Federal operating grants	2,100,000	2,100,000	3,232,674	1,132,674
State operating grants	398,218	398,218	663,155	264,937
Charges for services	125,370	125,370	312,507	187,137
Licenses and fees	662,388	662,388	917,097	254,709
Investment income	5,000	5,000	11,455	6,455
Miscellaneous	641,372	80,133	128,199	48,066
<i>Total revenues</i>	<u>15,773,517</u>	<u>15,212,278</u>	<u>18,189,630</u>	<u>2,977,352</u>
<i>Expenditures</i>				
Current:				
General government	8,907,346	9,116,321	8,205,444	910,877
Public safety	2,347,162	2,382,533	2,355,725	26,808
Public works	178,682	190,259	183,313	6,946
Culture and recreation	323,567	324,264	309,157	15,107
Health and welfare	446,059	451,440	366,397	85,043
<i>Total expenditures</i>	<u>12,202,816</u>	<u>12,464,817</u>	<u>11,420,036</u>	<u>1,044,781</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,570,701</u>	<u>2,747,461</u>	<u>6,769,594</u>	<u>4,022,133</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	1,583,811	2,528,894	-	(2,528,894)
Transfers in	-	902,213	902,213	-
Transfers (out)	(5,154,512)	(6,178,568)	(6,178,568)	-
<i>Total other financing sources (uses)</i>	<u>(3,570,701)</u>	<u>(2,747,461)</u>	<u>(5,276,355)</u>	<u>(2,528,894)</u>
<i>Net change in fund balance</i>	-	-	1,493,239	1,493,239
<i>Fund balance - beginning of year</i>	-	-	4,644,968	4,644,968
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,138,207</u>	<u>\$ 6,138,207</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 1,493,239	
Adjustments to revenues for gross receipt taxes, other taxes and federal grants.			(73,573)	
Adjustments to expenditures for salaries and operating expenses.			279,042	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 1,698,708</u>	

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

## STATE OF NEW MEXICO

Exhibit C-2

Rio Arriba County

Indigent Fund

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

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	495,000	495,000	534,020	39,020
Gasoline, franchise and motor vehicle	-	-	398,871	398,871
<i>Total revenues</i>	<u>495,000</u>	<u>495,000</u>	<u>932,891</u>	<u>437,891</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	753,547	753,547	358,921	394,626
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>753,547</u>	<u>753,547</u>	<u>358,921</u>	<u>394,626</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(258,547)</u>	<u>(258,547)</u>	<u>573,970</u>	<u>832,517</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	258,547	258,547	-	(258,547)
<i>Total other financing sources (uses)</i>	<u>258,547</u>	<u>258,547</u>	<u>-</u>	<u>(258,547)</u>
<i>Net change in fund balance</i>	-	-	573,970	573,970
<i>Fund balance - beginning of year</i>	-	-	2,958,547	2,958,547
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,532,517</u>	<u>\$ 3,532,517</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 573,970	
Adjustments to revenues for oil and gas taxes and state operating grants.			19,313	
Adjustments to expenditures for salaries and operating expenses.			(4,841)	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 588,442</u>	

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



## STATE OF NEW MEXICO

Exhibit C-3

Rio Arriba County  
 Correctional Facility 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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	430,000	430,000	518,279	88,279
Intergovernmental:				
State operating grants	-	-	6,221	6,221
<i>Total revenues</i>	<u>430,000</u>	<u>430,000</u>	<u>524,500</u>	<u>94,500</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	4,560,362	4,560,362	4,182,099	378,263
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>4,560,362</u>	<u>4,560,362</u>	<u>4,182,099</u>	<u>378,263</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,130,362)</u>	<u>(4,130,362)</u>	<u>(3,657,599)</u>	<u>472,763</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	4,130,362	4,130,362	4,130,362	-
<i>Total other financing sources (uses)</i>	<u>4,130,362</u>	<u>4,130,362</u>	<u>4,130,362</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	472,763	472,763
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,763</u>	<u>\$ 472,763</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 472,763	
Adjustments to revenues for gross receipts taxes and state operating grants.			30,568	
Adjustments to expenditures for salaries and operating expenses.			<u>(108,686)</u>	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 394,645</u>	

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

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Statement of Net Position  
June 30, 2018

	<u>Low Rent Public Housing Program</u>	<u>Section 8 Housing Choice Vouchers Program</u>	<u>Total</u>
<b>Assets</b>			
Current assets			
Cash	\$ 242,335	\$ 14,717	\$ 257,052
Investments	59,649	-	59,649
Accounts receivable - tenants, net	546	-	546
Accounts receivable - grants	152,418	-	152,418
Accounts receivable - other	13,665	-	13,665
Accrued interest receivable	83	-	83
Due from other funds	-	13	13
Prepaid expenses	9,338	1,073	10,411
<i>Total current assets</i>	<u>478,034</u>	<u>15,803</u>	<u>493,837</u>
Noncurrent assets			
Restricted cash	6,449	13,938	20,387
Accounts receivable - grants	177,186	-	177,186
Capital assets	5,845,573	-	5,845,573
Less: accumulated depreciation	<u>(5,000,676)</u>	<u>-</u>	<u>(5,000,676)</u>
<i>Total noncurrent assets</i>	<u>1,028,532</u>	<u>13,938</u>	<u>1,042,470</u>
<i>Total assets</i>	<u>1,506,566</u>	<u>29,741</u>	<u>1,536,307</u>
<b>Deferred outflows of resources</b>			
Deferred outflows - PERA	<u>44,881</u>	<u>2,066</u>	<u>46,947</u>
<i>Total deferred outflows of resources</i>	<u>44,881</u>	<u>2,066</u>	<u>46,947</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 1,551,447</u>	<u>\$ 31,807</u>	<u>\$ 1,583,254</u>

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

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Vouchers Program</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 21,823	\$ 173	\$ 21,996
Accrued payroll	4,552	-	4,552
Unearned revenue	943	-	943
Compensated absences	8,038	42	8,080
Due to other funds	13	-	13
	<u>35,369</u>	<u>215</u>	<u>35,584</u>
<i>Total current liabilities</i>			
	<u>35,369</u>	<u>215</u>	<u>35,584</u>
<i>Current liabilities (payable from restricted assets)</i>			
Tenant deposits	6,435	-	6,435
<i>Total current liabilities (payable from restricted assets)</i>	<u>6,435</u>	<u>-</u>	<u>6,435</u>
Noncurrent liabilities			
Net pension liability - PERA	177,339	8,162	185,501
	<u>177,339</u>	<u>8,162</u>	<u>185,501</u>
<i>Total noncurrent liabilities</i>			
	<u>177,339</u>	<u>8,162</u>	<u>185,501</u>
<i>Total liabilities</i>	<u>219,143</u>	<u>8,377</u>	<u>227,520</u>
<b>Deferred inflows of resources</b>			
Deferred inflows - PERA	22,156	1,020	23,176
	<u>22,156</u>	<u>1,020</u>	<u>23,176</u>
<i>Total deferred inflows of resources</i>			
	<u>22,156</u>	<u>1,020</u>	<u>23,176</u>
<b>Net position</b>			
Net investment in capital assets	844,897	-	844,897
Restricted for section 8 program	-	13,938	13,938
Unrestricted	465,251	8,472	473,723
	<u>1,310,148</u>	<u>22,410</u>	<u>1,332,558</u>
<i>Total net position</i>			
	<u>1,310,148</u>	<u>22,410</u>	<u>1,332,558</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 1,551,447</u>	<u>\$ 31,807</u>	<u>\$ 1,583,254</u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Statement Of Revenue, Expenses, And Change In Net Position  
For The Year Ended June 30, 2018

Exhibit D-2

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Vouchers Program</b>	<b>Total</b>
<i>Operating revenues</i>			
Tenant rents	\$ 113,971	\$ -	\$ 113,971
Operating grants	165,583	85,853	251,436
Other tenant revenue	477	6,034	6,511
<i>Total operating revenues</i>	<u>280,031</u>	<u>91,887</u>	<u>371,918</u>
<i>Operating expenses</i>			
Personnel services	193,909	3,002	196,911
Contractual services	12,871	-	12,871
Accounting fees	16,580	3,605	20,185
General and administrative			
Supplies	12,000	1,848	13,848
Insurance	19,941	-	19,941
Bad debt	17,675	-	17,675
Maintenance and materials	28,450	-	28,450
Utilities	39,766	-	39,766
Depreciation	166,201	-	166,201
Housing assistance payments -portability in	-	5,612	5,612
Housing assistance payments	-	73,278	73,278
Miscellaneous	829	-	829
<i>Total operating expenses</i>	<u>508,222</u>	<u>87,345</u>	<u>595,567</u>
<i>Operating income (loss)</i>	(228,191)	4,542	(223,649)
<i>Nonoperating revenue (expenses)</i>			
Interest income	775	26	801
Management fee income	82,019	-	82,019
Miscellaneous income	5,000	-	5,000
<i>Total non-operating revenues</i>	<u>87,794</u>	<u>26</u>	<u>87,820</u>
<i>Net income before capital contributions</i>	(140,397)	4,568	(135,829)
<i>Capital contributions</i>			
Federal capital grants	19,176	-	19,176
<i>Total capital contributions</i>	<u>19,176</u>	<u>-</u>	<u>19,176</u>
Transfers in	-	17,591	17,591
Transfers (out)	(17,591)	-	(17,591)
<i>Change in net position</i>	(138,812)	22,159	(116,653)
<i>Net position - beginning of year</i>	<u>1,448,960</u>	<u>251</u>	<u>1,449,211</u>
<i>Net position - end of year</i>	<u>\$ 1,310,148</u>	<u>\$ 22,410</u>	<u>\$ 1,332,558</u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Statement of Cash Flows  
For The Year Ended June 30, 2018

Exhibit D-3

	<b>Public Housing Low Rent Program</b>	<b>Section 8 Housing Choice Voucher</b>	<b>Total</b>
<i>Cash flows from operating activities:</i>			
Cash received from tenants	\$ 126,161	\$ 6,021	\$ 132,182
Cash received from operating grants	165,583	85,853	251,436
Cash payments to employees for services	(165,795)	(21,791)	(187,586)
Cash payments to suppliers for goods and services	<u>(146,011)</u>	<u>(85,461)</u>	<u>(231,472)</u>
<i>Net cash used by operating activities</i>	<u>(20,062)</u>	<u>(15,378)</u>	<u>(35,440)</u>
<i>Cash flows from noncapital financing activities:</i>			
Cash received from management fee income	82,019	-	82,019
Transfers	(17,591)	17,591	-
Cash received from insurance proceeds	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<i>Net cash provided by noncapital financing activities</i>	<u>69,428</u>	<u>17,591</u>	<u>87,019</u>
<i>Cash flows from capital and related financing activities</i>			
Cash received from capital grants	19,176	-	19,176
Acquisition of capital assets	<u>(19,176)</u>	<u>-</u>	<u>(19,176)</u>
<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 CD interest	(150)	-	(150)
Interest received on investments	775	26	801
<i>Net cash provided by investing activities</i>	<u>625</u>	<u>26</u>	<u>651</u>
Net increase in cash	49,991	2,239	52,230
Cash beginning of year	<u>198,793</u>	<u>26,416</u>	<u>225,209</u>
Cash end of year	<u><u>\$ 248,784</u></u>	<u><u>\$ 28,655</u></u>	<u><u>\$ 277,439</u></u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>			
Operating income (loss)	\$ (228,191)	\$ 4,542	\$ (223,649)
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities:			
Depreciation	166,201	-	166,201
Net pension expense	30,944	(17,840)	13,104
Changes in assets and liabilities:			
Accounts receivable and due from others	11,432	(13)	11,419
Prepaid expenses	(345)	(33)	(378)
Accounts payable and due to others	2,446	(1,085)	1,361
Accrued liabilities	2,227	-	2,227
Unearned revenue	281	-	281
Compensated absences	<u>(5,057)</u>	<u>(949)</u>	<u>(6,006)</u>
<i>Net cash provided (used) by operating activities</i>	<u><u>\$ (20,062)</u></u>	<u><u>\$ (15,378)</u></u>	<u><u>\$ (35,440)</u></u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2018

Exhibit E-1

**Assets**

Cash	\$ 541,309
Property tax receivable	4,027,232
Other taxes receivable	<u>320,160</u>
<i>Total assets</i>	<u><u>\$ 4,888,701</u></u>

**Liabilities**

Accounts payable	\$ 6,868
Funds held in trust due to others	<u>4,881,833</u>
<i>Total liabilities</i>	<u><u>\$ 4,888,701</u></u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**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, 2018, The County adopted GASB Statements No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions, No. 81, Irrevocable Split-Interest Agreements, No. 85, Omnibus 2017, No. 86, Certain Debt Extinguishment Issues, are required to be implemented for the fiscal year ending June 30, 2018.

The pronouncement adopted that materially affects the financial statements and disclosures of The County for the year ended June 30, 2018 is GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions. The requirements of this Statement improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense.

Rio Arriba County was not required to present a disclosure in accordance with GASB Statement No. 77 for the year ended June 30, 2018.

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

*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.

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.



**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

*B. Government-wide and fund financial statements*

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.

*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*

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.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

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

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.

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 1978-20-3).

The *Correctional Facility Special Revenue Fund* accounts 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)

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

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

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)

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)

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.

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, 2018, the County maintained a balance of \$1,064,327 in the Local Government Investment Pool.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

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

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

**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.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

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

**Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2018, along with applicable PERA, Retiree Health Care, FICA and Medicare accruals.

**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. There are four types of items that qualify for reporting in this category related to the pension and OPEB plans which are discussed at Notes 10 and 11.

**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 arise 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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County has recorded \$1,361,723 related to property taxes and \$601,205 for a loan that are considered "unavailable". The District also has items related to the pension and OPEB plans which are discussed at Notes 10 and 11.

**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.

**Postemployment Benefits Other Than Pensions (OPEB)** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

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

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, 2018.

**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 \$21,696,911 in restricted fund balances at June 30, 2018.

**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 \$6,675,824 in committed funds at June 30, 2018.

**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.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

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

The County has \$1,088,279 in assigned fund balances at June 30, 2018.

**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 \$469,074 in unassigned fund balances at June 30, 2018.

**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, 2018, the County maintains \$6,675,824 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.

**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 34-35 and 94-99. For the primary government, the government-wide statement of net position reports \$23,422,396 of restricted amounts. The special revenue funds have \$16,580,785 which is restricted by enabling legislation, \$240,368 is restricted for debt service requirements, \$16,580,785 for capital projects and \$13,938 is restricted for Section 8 Housing.
- 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 and OPEB liabilities and related deferred inflows and outflows of resources, allowance for doubtful accounts, and the current portion of accrued compensated absences.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

**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 Operating income (loss)</b>	
	<b>Original Budget</b>	<b>Final Budget</b>
Budgeted Funds:		
General Fund	\$ 3,570,701	\$ 2,747,461
Indigent Fund	\$ (258,547)	\$ (258,547)
Correctional Facilities Fund	\$ (4,130,362)	\$ (4,130,362)

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.

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, 2018 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.



**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**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, 2018, \$24,952,971 of the County's bank balances totaling \$28,823,879 was exposed to custodial credit risk. Although the \$24,952,971 was uninsured, \$16,084,125 of it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. \$8,868,846 of the County's deposits were uninsured and uncollateralized as of June 30, 2018.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

	<b>New Mexico Bank and Trust</b>	<b>Bank of the West</b>	<b>Century Bank</b>	<b>Washington Federal</b>
Amount of deposits	\$ 19,727,808	\$ 1,058,228	\$ 5,112,092	\$ 804,843
FDIC Coverage	(500,000)	(500,000)	(250,000)	(500,000)
Total uninsured public funds	<u>19,227,808</u>	<u>558,228</u>	<u>4,862,092</u>	<u>304,843</u>
Collateralized by securities held by pledging institution or by its trust department or agent in other than the County's name	12,671,963	558,228	2,549,091	304,843
Uninsured and uncollateralized	<u>\$ 6,555,845</u>	<u>\$ -</u>	<u>\$ 2,313,001</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ 9,613,904	\$ 279,114	\$ 2,431,046	\$ 152,422
Pledged Collateral	12,671,963	844,813	2,549,091	624,079
Over (Under) collateralized	<u>\$ 3,058,059</u>	<u>\$ 565,699</u>	<u>\$ 118,045</u>	<u>\$ 471,657</u>

	<b>Wells Fargo</b>	<b>Southwest Capital</b>	<b>Total</b>
Amount of deposits	\$ 110,178	\$ 2,010,730	\$ 28,823,879
FDIC Coverage	(110,178)	(2,010,730)	(3,870,908)
Total uninsured public funds	<u>-</u>	<u>-</u>	<u>24,952,971</u>
Collateralized by securities held by pledging institution or by its trust department or agent in other than the County's name	-	-	16,084,125
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,868,846</u>
Collateral requirement (50% of uninsured funds)	\$ -	\$ -	\$ 12,476,486
Pledged Collateral	-	-	16,689,946
Over (Under) collateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,213,460</u>

The collateral pledged is listed on Schedule II 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, County district or political subdivision of the State of New Mexico.

The investments are listed on Schedule I of this report. At year end June 30, 2018, there were \$10,765,169 of certificates of deposit, classified as investments at Exhibit B-1.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

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

Reconciliation to the Statement of Net Position:

Cash and cash equivalents per Exhibit A-1	\$ 15,433,179
Investments per Exhibit A-1	10,765,169
Restricted cash and cash equivalents per Exhibit A-1	1,321,855
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit E-1	541,309
 Total cash, investments, and cash equivalents	 28,061,512
 Add: outstanding checks and other reconciling items	 2,084,222
Less: NMFA restricted accounts	(257,528)
Less: State of New Mexico LGIP	(1,064,327)
 Bank balance of deposits	 \$ 28,823,879

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, 2018. 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.

As of June 30, 2018, the County had the following investments and maturities:

Investment Type	Weighted Average Maturities	Fair Value	Rating
LGIP	50 Days(R) 100 days(F)	\$ 1,064,327	AAAm
U.S. Treasury Notes	<1 year	257,528	Aaa
<b>Total</b>		<b>\$ 1,321,855</b>	

\*Rating based on Moody’s rating

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

**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.

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.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

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

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 \$1,064,327 in LGIP and \$257,528 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, 2018:

<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
\$ 1,321,855	\$ 1,321,855	\$ -	\$ -

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 4. Receivables**

Receivables as of June 30, 2018 for the primary government are as follows:

	<b>General</b>	<b>Indigent</b>	<b>Correctional Facility</b>	<b>Landfill Closure</b>
Property taxes	\$ 1,720,080	\$ -	\$ -	\$ -
Taxes receivable:				
Gross receipts taxes	330,302	90,847	82,001	-
Oil and gas taxes	622,677	23,510	-	-
MVD taxes	33,354	-	-	-
Total taxes receivable	<u>986,333</u>	<u>114,357</u>	<u>82,001</u>	<u>-</u>
Due from other governments:				
State grants	11,430	-	27,480	-
Federal grants	-	-	-	-
NCSWA Loan	-	-	-	601,205
Total due from other governments	<u>11,430</u>	<u>-</u>	<u>27,480</u>	<u>601,205</u>
Accounts receivable, net	<u>\$ 2,717,843</u>	<u>\$ 114,357</u>	<u>\$ 109,481</u>	<u>\$ 601,205</u>

	<b>County Funded Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total</b>
Property taxes	\$ -	\$ -	\$ 1,720,080
Taxes receivable:			
Gross receipts taxes	105,049	39,275	647,474
Oil and gas taxes	-	278,180	924,367
MVD taxes	-	22,970	56,324
Total taxes receivable	<u>105,049</u>	<u>340,425</u>	<u>1,628,165</u>
Due from other governments:			
State grants	-	1,083,992	1,122,902
Federal grants	-	43,231	43,231
NCSWA Loan	-	-	601,205
Total due from other governments	<u>-</u>	<u>1,127,223</u>	<u>1,767,338</u>
Accounts receivable, net	<u>\$ 105,049</u>	<u>\$ 1,467,648</u>	<u>\$ 5,115,583</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$1,361,723 that were not collected within the period of availability have been reclassified as deferred inflow in the governmental fund financial statements. In addition, the County has changed its estimate with respect to the allowance for uncollected property taxes receivable as the prior year estimate did not contain realistic underlying assumptions. The effect of this adjustment on property tax revenue for the year ended June 30, 2018 is an increase of \$514,211. The County anticipates that essentially all of the levied taxes will be collected, which is a change from the prior year.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 4. Receivables (continued)**

The loan receivable of \$601,205 is between Rio Arriba County and the North Central Solid Waste Authority pursuant to a Joint Powers Agreement under New Mexico law. The loan was executed in June 2011 and the purpose was to assist the North Central Solid Waste Authority with the repayments of its debts. The terms of the loan require the North Central Solid Waste Authority to pay back Rio Arriba County \$53,000 each year and matures in 2030. The loans bears no interest and any imputed interest is deemed inconsequential to the financial statements.

**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, 2018:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Correctional Facility	\$ 4,130,362
General Fund	County Road	500,000
General Fund	Farm & Range Improvement	30,500
General Fund	Senior Citizen	433,650
General Fund	DWI	126,604
General Fund	New Mexico State Library	9,306
General Fund	Economic Development	4,020
General Fund	Summer Food Program	56,733
General Fund	Sheriffs Grants	13,828
General Fund	DWI NMYCC Program	108,870
General Fund	Behavioral Health	166,877
General Fund	Senior Appropriations Capital Projects	120,795
General Fund	Legislative Appropriations	477,023
Landfill Closure	General Fund	135,000
Landfill Closure	Senior Citizen	262,000
DWI	General Fund	178,101
New Mexico State Library	General Fund	2,158
Summer Food Program	General Fund	49,532
Sheriffs Grants	General Fund	8,872
DWI NMYCC Program	General Fund	296
Behavioral Health	General Fund	184,102
Redi Net	General Fund	74,230
Senior Appropriations Capital Projects	General Fund	14,455
Legislative Appropriations	General Fund	128,467
Legislative Appropriations	Fire Department Funds	50,000
Fire Department Funds	Fire District Fund	151,706
	Total	<u>\$ 7,417,487</u>

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2018. Land, construction in progress, works of art, book collections, and water rights are not being depreciated.

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u> <u>and</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets not being depreciated:				
Land	\$ 14,273,123	\$ 28,926	\$ -	\$ 14,302,049
Construction in progress	15,218	14,308	-	29,526
Works of art	180,000	-	-	180,000
Book collections	10,000	-	-	10,000
Water Rights	290,674	-	-	290,674
Total not being depreciated	<u>14,769,015</u>	<u>43,234</u>	<u>-</u>	<u>14,812,249</u>
Capital assets being depreciated:				
Buildings and improvements	79,127,239	276,558	-	79,403,797
Land improvements	6,518,755	413,497	-	6,932,252
Infrastructure	16,447,733	113,062	-	16,560,795
Machinery and equipment	27,113,717	797,030	(89,736)	27,821,011
Total being depreciated	<u>129,207,444</u>	<u>1,600,147</u>	<u>(89,736)</u>	<u>130,717,855</u>
 Total capital assets	 <u>143,976,459</u>	 <u>1,643,381</u>	 <u>(89,736)</u>	 <u>145,530,104</u>
Accumulated depreciation:				
Buildings and improvements	26,336,520	1,899,621	30,508	28,266,649
Land improvements	2,055,279	299,393	(6,509)	2,348,163
Infrastructure	9,358,356	463,755	452	9,822,563
Machinery and equipment	19,830,424	1,363,097	58,663	21,252,184
Total accumulated depreciation	<u>57,580,579</u>	<u>4,025,866</u>	<u>83,114</u>	<u>61,689,559</u>
 Capital assets, net	 <u>\$ 86,395,880</u>	 <u>\$ (2,382,485)</u>	 <u>\$ (172,850)</u>	 <u>\$ 83,840,545</u>

Depreciation expense for the year ended June 30, 2018 was charged to the following functions for governmental activities:

Governmental activities:	
General government	\$ 857,694
Public Safety	1,226,947
Culture and Recreation	574,049
Public Works	805,026
Health and Welfare	562,150
	<u>\$ 4,025,866</u>



**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

**NOTE 7. Long-term Debt**

During the year ended June 30, 2018, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2018</b>	<b>Due Within One Year</b>
Bonds	\$ 4,236,346	\$ -	\$ 206,621	\$ 4,029,725	\$ 213,265
NMFA Loans	3,226,299	128,927	109,940	3,245,286	124,559
Compensated Absences	602,898	491,896	470,091	624,703	71,035
<b>Total</b>	<b>\$ 8,065,543</b>	<b>\$ 620,823</b>	<b>\$ 786,652</b>	<b>\$ 7,899,714</b>	<b>\$ 408,859</b>

**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:**

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2019	\$ 213,265	\$ 126,861	\$ 340,126
2020	220,122	120,004	340,126
2021	227,200	112,926	340,126
2022	234,505	105,620	340,125
2023	242,046	98,080	340,126
2024-2028	1,332,100	368,529	1,700,629
2029-2033	1,560,488	140,142	1,700,630
<b>Total</b>	<b>\$ 4,029,725</b>	<b>\$ 1,072,161</b>	<b>\$ 5,101,887</b>

**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.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

**NOTE 7. Long-term Debt (continued)**

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>
2019	\$ 124,559	\$ 101,929	\$ 226,488
2020	126,827	99,659	226,486
2021	103,145	97,164	200,309
2022	105,035	95,273	200,308
2023	107,260	93,049	200,309
2024-2028	581,126	420,418	1,001,544
2029-2033	616,747	319,945	936,692
2034-2038	755,224	181,469	936,693
2039-2042	725,363	23,989	749,352
Total	<u>\$ 3,245,286</u>	<u>\$ 1,432,895</u>	<u>\$ 4,678,181</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, 2018, compensated absences increased by \$21,805. 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.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 9. Other Required 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, 2018:
- B. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2018.
- C. There were no funds with designated cash appropriations in excess of available balances at June 30, 2018.

**NOTE 10. Pension Plan – Public Employee Retirement Association of NM**

*Public Employees Retirement 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 Officers, 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 Public Employees Retirement 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), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

**Benefits Provided** – Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member’s final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors’ annuities are also available.

**TIER II**

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member’s age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

**NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)**

State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

**Contributions** – See PERA’s compressive annual financial report for Contribution provided description.

<b>PERA Contribution Rates and Pension Factors as of July 1, 2016</b>						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per Year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
State Plan 3	7.42 %	8.92 %	16.99 %	3.0 %	2.5 %	90 %
Municipal Plan 1 (plan open to new employers)	7.0 %	8.5 %	7.4 %	2.0 %	2.0 %	90 %
Municipal Plan 2 (plan open to new employers)	9.15 %	10.65 %	9.55 %	2.5 %	2.0 %	90 %
Municipal Plan 3 (plan closed to new employers 6/95)	13.15 %	14.65 %	9.55 %	3.0 %	2.5 %	90 %
Municipal Plan 4 (plan closed to new employers 6/00)	15.65 %	17.15 %	12.05 %	3.0 %	2.5 %	90 %
Municipal Police Plan 1	7.0%	8.5%	10.40%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.40%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	18.90%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	18.90%	3.5%	3.0%	90%
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.90%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –***

**PERA Fund Division Municipal General:** At June 30, 2018, the County reported a liability of \$17,024,908 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017.

The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, The County’s proportion was 1.2390, which was a decrease of 0.0838 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$1,728,275. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 785,101	\$ 175,929
Changes in proportion	-	839,231
Difference between expected and actual experience	668,964	871,966
Net difference between projected and actual earnings on pension plan investments	1,396,791	-
County's contributions subsequent to the measurement date	789,017	-
Total	\$ 3,639,873	\$ 1,887,126

\$789,017 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)**

**Year ended June 30:**

2018	\$ 146,302
2019	1,214,706
2020	10,926
2021	(408,204)
Thereafter	-
Total	<u>\$ 963,730</u>

**PERA Fund Division Municipal Police:** At June 30, 2018, the County reported a liability of \$2,658,937 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017.

The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the County’s proportion was 0.47860, which was an increase of 0.0306 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$311,630. At June 30, 2018, The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 158,199	\$ 61,829
Changes in proportion	119,016	75,861
Difference between expected and actual experience	161,490	496,796
Net difference between projected and actual earnings on pension plan investments	214,141	-
County's contributions subsequent to the measurement date	<u>364,055</u>	<u>-</u>
Total	<u>\$ 1,016,901</u>	<u>\$ 634,486</u>

\$364,055 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)**

**Year ended June 30:**

2018	\$ (25,472)
2019	150,323
2020	(43,879)
2021	(62,612)
Thereafter	-
<b>Total</b>	<b><u>\$ 18,360</u></b>

*Actuarial assumptions.* The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

PERA FUND

<b>PERA</b>	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial Assumptions:	
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	2.75% for first 9 years, then 3.254% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25% annual rate first 9 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 30, 2016 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2017. These assumptions were adopted by the Board use in the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 10. Pension Plan – Public Employee Retirement Association of NM (continued)**

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.50%	7.39%
Risk Reduction & Mitigation	21.5	1.79
Credit Oriented Fixed Income	15.0	5.77
Real Assets	<u>20.00</u>	7.35
Total	100.00%	

*Discount rate.* A single discount rate of 7.51% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.51%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

*Sensitivity of The County's proportionate share of the net pension liability to changes in the discount rate.* The following presents The County's proportionate share of the net pension liability calculated using the discount rate of 7.51 percent, as well as what The County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.51 percent) or 1-percentage-point higher (8.51 percent) than the current rate:

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease (6.51%)</b>	<b>Current Discount Rate (7.51%)</b>	<b>1% Increase (8.51%)</b>
County's proportionate share of the net pension liability	\$ 26,683,653	\$ 17,024,908	\$ 8,992,317
<b>PERA Fund Municipal Police Division</b>			
	<b>1% Decrease (6.51%)</b>	<b>Current Discount Rate (7.51%)</b>	<b>1% Increase (8.51%)</b>
County's proportionate share of the net pension liability	\$ 4,240,267	\$ 2,658,937	\$ 1,361,222

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued PERA's financial reports.

**Payables to the pension plan.** At June 30, 2018, The County had payables to the plan in the amount of \$48,609.



**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

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

***General Information about the OPEB***

***Plan description.*** Employees of The County are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

***Benefits provided.*** The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

***Employees covered by benefit terms*** – At June 30, 2017, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	<u>97,349</u>
	<u>160,035</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
	<u>97,349</u>

***Contributions*** – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the County were \$275,884 for the year ended June 30, 2018.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

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

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2018, The County reported a liability of \$10,329,949 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the County's proportion was 0.22795 percent.

For the year ended June 30, 2018, the County recognized OPEB expense of \$410,690. At June 30, 2018 The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ -	\$ 396,409
Net difference between expected and actual investments on OPEB plan investments	-	148,603
Change in assumptions	-	1,806,060
County's contributions subsequent to the measurement	183,495	-
<b>Total</b>	<b>\$ 183,495</b>	<b>\$ 2,351,072</b>

Deferred outflows of resources totaling \$183,495 represent County contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

2019	\$	(499,854)
2020		(499,854)
2021		(499,854)
2022		(499,854)
2023		(351,656)

***Actuarial assumptions.*** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

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

Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

**Rate of Return.** The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

	Long-Term Rate of Return
U.S. core fixed income	4.1%
U.S. equity - large cap	9.1
Non U.S. - emerging markets	12.2
Non U.S. - developed equities	9.8
Private equity	13.8
Credit and structured finance	7.3
Real estate	6.9
Absolute return	6.1
U.S. equity - small/mid cap	9.1

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
 June 30, 2018

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

**Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.** The following presents the net OPEB liability of The County, as well as what The County’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

	<b>1% Decrease (2.81%)</b>	<b>Current Discount Rate (3.81%)</b>	<b>1% Increase (4.81%)</b>
County’s proportionate share of the net OPEB liability	\$ 12,530,067	\$ 10,329,949	\$ 8,603,758

The following presents the net OPEB liability of the County, as well as what the County’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>Trend Rate Sensitivity Analysis</b>		
	<b>1% Decrease</b>	<b>Rate</b>	<b>1% Increase</b>
County’s proportionate share of the net OPEB liability	\$ 8,786,333	\$ 10,329,949	\$ 11,533,587

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2017.

**Payable Changes in the Net OPEB Liability.** At June 30, 2018, the County reported a payable of \$10,359 for outstanding contributions due to NMRHCA for the year ended June 30, 2018.

**NOTE 12. Prior Period Adjustments**

The County has a prior period adjustment of (\$12,270,331) which was required for implementation of GASB Statement No. 75. The adjustment reflects a beginning net OPEB liability of (\$12,466,049) and a beginning of deferred outflow of resources- employer contributions subsequent to the measurement date of \$195,718.

In addition, there were errors in the prior year related to the classification of funds/fund types, therefore the County has reclassified fund balances in the fund financial statements in the amount of \$205,918.

**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.

The County is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County’ legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2018

**NOTE 14. Subsequent Events**

The date to which events occurring after June 30, 2018, have been evaluated for possible adjustment to the financial statements or disclosures is November 26, 2018, which is the date on which the financial statements were issued. No events took place subsequent to year end.

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**NOTES TO FINANCIAL STATEMENTS OF COMPONENT UNIT**

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

**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 Espanola, 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.
- **Public Housing Capital Fund Program** - These programs, funded through direct grants from HUD, account for acquisition of capital assets or construction of capital projects. This program is grouped with the Low Rent Public Housing Program.
- **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.

*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, and GASB Statement No. 61. 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.



**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

**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 149 State Rd. 162, 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.

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

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

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

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.

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 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 is 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:** Certain resources set aside in escrow for security deposits of \$6,449, 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 \$3,994, 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.

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

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

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

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.

**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, 2018, 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

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

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

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

**Deferred Inflows/Outflows of Resources:** GASB 63 amended previous guidance on deferred revenues in the Statement of Net Position to include deferred outflow of resources, which is the consumption of net position by the Housing Authority that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net position by the Housing Authority that is applicable to a future reporting period. The Authority has several items that qualify for reporting in this category related to the pension plan which is discussed at Note 7.

**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.

**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 (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.
- 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.

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

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

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

**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, allowance for uncollectible tenant accounts, 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, 2018, the Housing Authority adopted GASB Statement No. 81 Irrevocable Split-Interest Agreements, GASB Statement No. 82 Pension Issues- an Amendment of GASB Statement No. 67, No. 68, and No. 73, GASB Statement No. 85 Omnibus 2017, and GASB Statement No. 86 Certain Debt Extinguishment Issues. These four Statements are required to be implemented as of June 30, 2018, if applicable. The implementation of these statements did not have a significant impact on the Housing Authority.

*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, 2018 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, 2018.

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.

**STATE OF NEW MEXICO**  
 Rio Arriba County Housing Authority  
 A Component Unit of Rio Arriba County  
 Notes to the Financial Statements  
 June 30, 2018

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

All of the Authority's accounts are 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, 2018, none of the Authority's bank balance of \$358,483 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, 2018.

	<b>Century Bank</b>
Amount of deposits	\$ 358,483
FDIC Coverage	(358,483)
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 Collateral	-
Over (Under) collateralized	\$ -

**STATE OF NEW MEXICO**  
 Rio Arriba County Housing Authority  
 A Component Unit of Rio Arriba County  
 Notes to the Financial Statements  
 June 30, 2018

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

**Reconciliation to the 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:

Reconciliation to the Statement of Net Position:

Cash- Statement of Net Position	\$ 257,052
Investments	59,649
Restricted cash	20,387
Total cash	<u>337,088</u>
 Plus: reconciling items	 <u>21,395</u>
 Bank balance of deposits	 <u><u>\$ 358,483</u></u>

**NOTE 3. Accounts Receivable**

Receivables as of June 30, 2018, are as follows:

Grant receivables, current and noncurrent	\$ 329,604
Tenant receivables	15,211
Management fee receivables	13,665
Accrued interest receivable	83
Allowance for doubtful accounts - tenants	<u>(14,665)</u>
	<u><u>\$ 343,898</u></u>

Of the receivables presented above, \$177,186 is not expected to be collected by June 30, 2019. 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, 2018 is as follows:

<u>Due from other funds</u>	<u>Due to other funds</u>
Low Rent Public Housing	Program Section 8 Housing Choice Vouchers Program <u>\$ 13</u>

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

**NOTE 5. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2018. Land is not subject to depreciation.

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Dispositions and Transfers</u>	<u>Balance June 30, 2018</u>
Capital assets not depreciated:				
Land	\$ 109,735	\$ -	\$ -	\$ 109,735
Construction in process	14,192	19,176	(33,368)	-
<b>Total assets not depreciated</b>	<u>123,927</u>	<u>19,176</u>	<u>(33,368)</u>	<u>109,735</u>
Capital assets being depreciated:				
Buildings and improvements	5,508,548	-	33,368	5,541,916
Machinery and equipment	193,922	-	-	193,922
<b>Total assets depreciated</b>	<u>5,702,470</u>	<u>-</u>	<u>33,368</u>	<u>5,735,838</u>
<b>Total assets</b>	5,826,397	19,176	-	5,845,573
Less accumulated depreciation for:				
Buildings and improvements	4,679,418	155,153	-	4,834,571
Machinery and equipment	155,056	11,048	-	166,104
<b>Total accumulated depreciation</b>	<u>4,834,474</u>	<u>166,201</u>	<u>-</u>	<u>5,000,675</u>
<b>Capital assets, net</b>	<u>\$ 991,923</u>	<u>\$ (147,025)</u>	<u>\$ -</u>	<u>\$ 844,898</u>

Depreciation expense for the year ended June 30, 2018 totaled \$166,201.

**NOTE 6. Long-term Liabilities**

The following summarizes changes in long-term liabilities during the fiscal year ended June 30, 2018. Compensated absences are typically liquidated through the Low Rent Public Housing Program.

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 14,086	\$ 3,448	\$ 9,454	\$ 8,080	\$ 8,080

**NOTE 7. Pension Plan – Public Employee Retirement Association of NM**

Public Employees Retirement 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 Officers, 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.



**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

**NOTE 7. Pension Plan – Public Employee Retirement Association of NM (continued)**

Eligibility for membership in the Public Employees Retirement 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), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

**Benefits Provided** – Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members.

Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

**TIER II**

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

**Contributions** – See PERA's compressive annual financial report for Contribution provided description.

**STATE OF NEW MEXICO**  
 Rio Arriba County Housing Authority  
 A Component Unit of Rio Arriba County  
 Notes to the Financial Statements  
 June 30, 2018

**NOTE 7. Pension Plan – Public Employee Retirement Association of NM (continued)**

<b>PERA Contribution Rates and Pension Factors as of July 1, 2016</b>						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per Year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
State Plan 3	7.42 %	8.92 %	16.99 %	3.0 %	2.5 %	90 %
Municipal Plan 1 (plan open to new employers)	7.0 %	8.5 %	7.4 %	2.0 %	2.0 %	90 %
Municipal Plan 2 (plan open to new employers)	9.15 %	10.65 %	9.55 %	2.5 %	2.0 %	90 %
Municipal Plan 3 (plan closed to new employers 6/95)	13.15 %	14.65 %	9.55 %	3.0 %	2.5 %	90 %
Municipal Plan 4 (plan closed to new employers 6/00)	15.65 %	17.15 %	12.05 %	3.0 %	2.5 %	90 %
Municipal Police Plan 1	7.0%	8.5%	10.40%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.40%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	18.90%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	18.90%	3.5%	3.0%	90%
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.90%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –***

At June 30, 2018, the Authority reported a liability of \$185,501 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2017.

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

**NOTE 7. Pension Plan – Public Employee Retirement Association of NM (continued)**

There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017.

The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Authority's proportion was 0.000135, which was an increase of 0.000002 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Authority recognized pension expense of \$13,104. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 7,290	\$ 9,501
Net difference between expected and actual investments on pension plan investments	15,219	-
Change in assumptions	8,554	1,917
Change in proportion	7,382	11,758
Authority's contributions subsequent to the measurement date	<u>8,502</u>	<u>-</u>
Total	<u>\$ 46,947</u>	<u>\$ 23,176</u>

\$8,502 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

2019	\$ 4,867
2020	12,352
2021	2,498
2022	(4,448)
Thereafter	-

*Actuarial assumptions.* The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

**STATE OF NEW MEXICO**  
 Rio Arriba County Housing Authority  
 A Component Unit of Rio Arriba County  
 Notes to the Financial Statements  
 June 30, 2018

**NOTE 7. Pension Plan – Public Employee Retirement Association of NM (continued)**

**PERA FUND**

<b>PERA</b>	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial Assumptions:	
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	2.75% for first 9 years, then 3.254% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25% annual rate first 9 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 30, 2016 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2017. These assumptions were adopted by the Board use in the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and 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	21.5	1.79
Credit Oriented Fixed Income	15.0	5.77
Real Assets	<u>20.00</u>	7.35
Total	100.00%	

Discount rate. A single discount rate of 7.51% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.51%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members.

**STATE OF NEW MEXICO**  
 Rio Arriba County Housing Authority  
 A Component Unit of Rio Arriba County  
 Notes to the Financial Statements  
 June 30, 2018

**NOTE 7. Pension Plan – Public Employee Retirement Association of NM (continued)**

Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

*Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.51 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.51 percent) or 1-percentage-point higher (8.51 percent) than the current rate:

	<b>1% Decrease (6.51%)</b>	<b>Current Discount Rate (7.51%)</b>	<b>1% Increase (8.51%)</b>
Authority's proportionate share of the net pension liability	\$ 290,742	\$ 185,501	\$ 97,979

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued PERA'S financial reports.

**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. Concentration**

Approximately 57% 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.

**STATE OF NEW MEXICO**  
Rio Arriba County Housing Authority  
A Component Unit of Rio Arriba County  
Notes to the Financial Statements  
June 30, 2018

**NOTE 11. Subsequent Events**

The date to which events occurring after June 30, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 26, 2018 which is the date on which the financial statements were issued. No events took place subsequent to year end.

**NOTE 12. 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, Espanola, NM on behalf Truth or Consequences Housing Authority. The term of the agreement has been renewed through December 31, 2018, 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, 2018, total management fee income was \$82,019.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 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>2018 Measurement Date (As of and for the year ended <u>June 30, 2017</u>)</b>	<b>2017 Measurement Date (As of and for the year ended <u>June 30, 2016</u>)</b>
Rio Arriba County's proportion of the net pension liability	1.2390%	1.3228%
Rio Arriba County's proportionate share of the net pension liability	\$ 17,024,908	\$ 21,133,893
Rio Arriba County's covered payroll	\$ 7,045,872	\$ 7,401,984
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered payroll	241.63%	285.52%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%

\* 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.



<b>2016</b>	<b>2015</b>
<b>Measurement</b>	<b>Measurement</b>
<b>Date (As of and</b>	<b>Date (As of and</b>
<b>for the year</b>	<b>for the year</b>
<b>ended</b>	<b>ended</b>
<b><u>June 30, 2015)</u></b>	<b><u>June 30, 2014)</u></b>
1.3302%	1.3579%
\$ 13,562,542	\$ 10,593,077
\$ 7,043,138	\$ 6,791,648
192.56%	155.97%
76.99%	81.29%

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
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>2018 Measurement Date (As of and for the year ended <u>June 30, 2017</u>)</b>	<b>2017 Measurement Date (As of and for the year ended <u>June 30, 2016</u>)</b>
Rio Arriba County's proportion of the net pension liability	0.4786%	0.4480%
Rio Arriba County's proportionate share of the net pension liability	\$ 2,658,937	\$ 3,308,428
Rio Arriba County's covered payroll	\$ 2,129,148	\$ 2,096,194
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered payroll	124.88%	157.83%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%

\* 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.

<b>2016 Measurement Date (As of and for the year ended <u>June 30, 2015)</u></b>	<b>2015 Measurement Date (As of and for the year ended <u>June 30, 2014)</u></b>
0.4546%	0.4989%
\$ 2,185,972	\$ 1,626,360
\$ 2,210,948	\$ 2,056,163
98.87%	79.10%
76.99%	81.29%

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 General Division  
 Last 10 Fiscal Years\*

	<b>As of and for the year ended <u>June 30, 2018</u></b>	<b>As of and for the year ended <u>June 30, 2017</u></b>
Contractually required contribution	\$ 789,017	\$ 849,028
Contributions in relation to the contractually required contribution	<u>(789,017)</u>	<u>(849,028)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	\$ 6,547,862	\$ 7,045,872
Contributions as a percentage of covered payroll	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.

<b>As of and for the year ended June 30, 2016</b>	<b>As of and for the year ended June 30, 2015</b>
\$ 891,939	\$ 848,698
<u>(891,939)</u>	<u>(848,698)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 7,401,984	\$ 7,043,138
12.05%	12.05%

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\*

	<b>As of and for the year ended <u>June 30, 2018</u></b>	<b>As of and for the year ended <u>June 30, 2017</u></b>
Contractually required contribution	\$ 364,055	\$ 381,428
Contributions in relation to the contractually required contribution	<u>(364,055)</u>	<u>(381,428)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	\$ 2,031,037	\$ 2,129,148
Contributions as a percentage of covered payroll	17.92%	17.91%

\* 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.

<b>As of and for the year ended June 30, 2016</b>	<b>As of and for the year ended June 30, 2015</b>
\$ 374,023	\$ 378,219
<u>(374,023)</u>	<u>(378,219)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 2,096,194	\$ 2,210,948
18%	17%

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, 2018

**PERA**

*Changes of benefit terms:* The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>.

*Assumptions:* The Public Employee Retirement Association of New Mexico Annual Actuarial Valuations as of June 2017 report is available at <http://www.nmpera.org>.

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



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**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Proportionate Share of the Net OPEB Liability  
 Retiree Health Care OPEB Plan  
 Last 10 Fiscal Years\*

Schedule B-1

	<b>2018 Measurement Date (As of and for the Year Ended June 30, 2017)</b>
Rio Arriba County's proportion of the net OPEB liability (asset)	0.22795%
Rio Arriba County's proportionate share of the net OPEB liability (asset)	\$ 10,329,949
Rio Arriba County's covered payroll	9,495,593
Rio Arriba County's proportionate share of the net OPEB liability as a percentage of its covered payroll	109%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\* Governmental Accounting Standards Board Statement No. 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Rio Arriba County's is not available prior to fiscal year 2018, the year the statement's requirements became effective.

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

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Contributions  
 Retiree Health Care OPEB Plan  
 Last 10 Fiscal Years\*

Schedule B-2

	<b>As of and for the Year Ended June 30, 2018</b>
Contractually required contribution	\$ 183,495
Contributions in relation to the contractually required contribution	183,495
Contribution deficiency (excess)	\$ -
Rio Arriba County's covered payroll	9,495,593
Contribution as a percentage of covered payroll	1.93%

\* Governmental Accounting Standards Board Statement No. 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Rio Arriba County's is not available prior to fiscal year 2018, the year the statement's requirements became effective.

**Notes to Required Supplementary Information**

**RHC Plan**

*Changes of benefit provisions:* There were no modifications to the benefit provisions as this is the first year of adoption of the OPEB accounting standard.

*Change in assumptions and methods:* There were no modifications to the assumptions and methods as this is the first year of adoption of the OPEB accounting standard.

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

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## **SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2018

**Special Revenue Funds**

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

2202 – Environmental (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 – 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 Protection – 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 – 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 form 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 Program – 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 – DWI Detox Grant – 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)

2227 – DWI Grant-Juvenile Adjudication Fund- To fund programs providing alternative procedures of adjudication

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2018

for juveniles charged with traffic offenses and other misdemeanors in 2.110.5 NMAC the regulations. (Authority: County Commission)

2229 - DWI Grant – To account for expenditures incurred for Prevention, Screening, Treatment and compliance monitoring/ Tracking for the DWI program. Funding is providing from State Grants. (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)

2462 – DWI NCCBS/Optum (North Central Community Based Services, In.) To Account for expenditures incurred for the Total Community Approach. Funding is provided from the NCCBS. (Authority: County Commission)

2463 – JCC- Santa Fe County - Correction Program - CYFD – To Account for expenditures incurred for providing juvenile community corrections services to clients in the Santa Fe Area. Funding provided by the New Mexico Department of Children, Youth and Families Department. (Authority: County Commission)

2464 Abstinence Education SWAH – To Account for expenditures incurred for providing abstinence education services to youth. Funding provided by the New Mexico Department of Health. (Authority: County Commission)

2467 - NMSH&T Community DWI - 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 – DWI Misdemeanor Compliance Program 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 Department of Children, Youth and Families Department. (Authority: County Commission)

2470 – Assessment Fees – DWI – To account for expenditures incurred for RAC Stop program to conduct assessment and UA on clients to be a candidate for program. (Authority: County Commission)

2485 The County established the fund to account for expenditures incur in implementing the SAMHSA DFC grant – establish and strengthen collaboration among communities, and reduce substance abuse among youth and over time among adults. (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 Acts as the fiscal agent for the Rio Arriba Juvenile Justice Board. (Authority: County Commission)

2225 - Clerk Recording and Filing – 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)

**FIRE DEPARTMENT FUNDS**

2300,2301,2302,2303,2305,2306,2307,2308,2310,2311,2312,2313,2314,2315,2316,2317,2318,2319 – Fire Department Funds – To account for expenditures of equipment, operating costs, and training for volunteer fire

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2018

fighters. The County maintains and operates Eighteen (18) fire departments; Velarde, El Rito, Tierra Amarilla, Dixon, Canjilon/Cebolla, Truchas/Cordova, La Mesilla/San Pedro, Abiquiu, Laguna Vista, Coyote, Ojo Sarco, Chamita, Dulce, Vallecitos, Alcalde, Brazos Canyon, Agua Sana, Lindrith/Llaves. Funding is provided from the State of New Mexico Fire Protection Fund Act. (Authority: NMSA 59-A-53-2)

2340 – Fire Marshall/State Allocation - To account for expenditures of equipment, operating costs, and training for volunteer fire fighters. Funding is provided from the State of New Mexico Fire Protection Fund Act. (Authority: NMSA 59-A-53-2)

**EMS FUNDS**

2350,2351,2352,2353,2354,2355,2357,2360,2361,2363,2364,2366,2367,2368,2369 – Emergency Medical Service (EMS) Funds – to account for expenditures for maintenance and operations of ambulance service in the County.

The County maintains and operates sixteen (14) EMS Departments; Jicarilla, Lindrith, Dixon, Santa Clara, Espanola, Canjilon, El Rito, Abiquiu, Ojo Sarco, La Mesilla, Agua Sana, Velarde, Chamita, Coyote. Funding is provided from the Emergency Medical Services Act. (Authority: NMSA 24-10A & B)

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).

2406 and 2410 – Economic Development (Regional Development Corporation Grant) - To account for expenditures incurred in grant whose purpose of implementing or identifying Economic Development. (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 State Public Law 106-393.

2421 - Summer Food Program - The County established these funds 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)

2430 - NM Dept. Game and Fish Off Highway Vehicle Program-To provide land which meets the dept required specification for the development for an OHV training site on county's property within a minimum measurement of 140 feet by 90 feet with access to a hill measuring 8 feet tall by 30 feet long. County will get reimbursed for use of equipment and maintenance. (Authority: County Commission)

**SHERIFF GRANTS**

2431 – JAG Program – To account for expenditures related to purchase of 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 USDA Corps of Engineers. (Authority: County Commission)

2435 – Forest Patrol – Carson/Santa Fe – To account for expenditures related to Forest Patrol of the Carson and Santa Fe National Forest. Funds are provided by the US Forest Service. (Authority: County Commission)

2440 – ENDWI 17-AL-68-080 - To account for expenditures related to DWI overtime for prevention and enforcement. Funds are provided by the New Mexico Department of Transportation. (Authority: County Commission)



**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2018

2441 – Bulletproof Vest Program – To account for expenditures related to purchase of law enforcement Bulletproof Vest. Funds are provided by the Department of Justice. (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)

**BEHAVIORAL HEALTH AND HUMAN SERVICES GRANT**

2481 – NM Drug Overdose Prevention - To account for expenditures related to drug overdose prevention. (Authority: County Commission)

2482 – SIM Health Council - The County established this fund to account for expenditures incurred in to participate in an orientation to learn about the state’s Health System Innovation Design Process. (Authority: County Commission)

2483 – RAC Health Council - The County established this fund to account for expenditures incurred in providing health information/assessment to learn about the health status of the population as well as identify assets and resources that can be mobilized to address population health improvement. (Authority: County Commission)

2484 – Health Promotion IIID – HHS – The County established this fund to account for expenditures incurred in development and implementation of health promotion programs and activities that will support health lifestyles and promote health behaviors for individuals age 60 and older. (Authority: County Commission)

2486 – Rural Health Network (HRSA) – The County established this found to account for expenditures incurred to improve and expand health care services for underserved people, focusing on the following program areas: Health Care systems, Primary Health Care/ Health Centers. (Authority: County Commission)

2487 – Prescription Drug Overdose Prevention – The County established this found to account for expenditures incurred to improve and expand health care services for Prescription Drug Overdose Prevention . (Authority: County Commission)

2488 – Region 2 Behavioral Health/Value Options - 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. (Authority: County Commission)

2489 – OPTUM - The County established the fund to account for expenditures incurred for case management and outreach services. Funding provided by NM Dept. of Health- Region. (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)

2491 – Presbyterian Community Health – The County established the fund to account for expenditures incurred to perform services to identify community health needs. (Authority: County Commission)

2492 – New Normal Launch Grant – The County established the fund to account for expenditures incurred to perform services to identify community health needs. (Authority: County Commission)

2494 - SL Start MOU NMWI-Care- To provide substance abuse related staffing services and clinical oversight for NMWI-Care program per negotiated rates with SL Start. NMWI-Care is designated to reduce or eliminate the use of substances identified as a barrier to employment with the ultimate goal of becoming employed and reducing or eliminating their dependency on Temporary Assistance for Needy Families (TANF). (Authority: County Commission)

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2018

2495 – NM Primary Care Association – The County established the fund to account for expenditures incurred to perform services to identify community health needs. (Authority: County Commission)

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)

2497 – Opioid STR Grant – The County established the fund to account for expenditures incurred to perform opioid prevention services. (Authority: County Commission)

2498 – Community Partnership – The County established the fund to account for expenditures incurred to perform services to identify community health needs. (Authority: County Commission)

2528 - Inmate Evercom Phone Fund – 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)

2529 – Redi Net – The County established the fund to account for inmate expenditures as Fiscal Agent for RediNet. Financing is provided from the administrative fee collected. (Authority: County Commission)

**Capital Projects Funds**

**SENIOR CAPITAL PROJECTS**

3250,3251,3252,3253,3254,3255,3256,3261,3262,3263,3264,3265,3266,3267,3268,3269,3270,3271,3272,3273,3274,3275,3276,3277,3278,3279,3280 – Senior Capital Outlay – The County established this fund to account for expenditures relative to various County Senior facility projects finance 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)

**LEGISLATIVE APPROPRIATIONS**

**2014 STATE APPROPRIATION CAPITAL PROJECTS**

3700,3701,3702,3703,3704,3705,3713 - 2014 State Appropriations – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2014 State Appropriations. (Authority: County Commission)

**2015 STATE APPROPRIATION CAPITAL PROJECTS**

3706,3707,3708,3709,3710,3711,3712,3714,3715,3718 - 2015 State Appropriations – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2015 State Appropriations. (Authority: County Commission)

**2016 STATE APPROPRIATION CAPITAL PROJECTS**

3719,3720,3721,3722,3723,3724 - 2016 State Appropriations – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2015 State Appropriations. (Authority: County Commission)

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2018

**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

4400 – Reserve Accounts - To account for monies that are in the reserve account at the New Mexico Finance Authority NMFA.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2018

**Special Revenue**

	<b>Corrections / Jail Operations</b>	<b>Environmental</b>	<b>County Property Valuation</b>	<b>County Road</b>
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 3,546	\$ 477,106	\$ 1,607,600
Investments	-	319,000	-	-
Receivables:				
Other taxes	-	28,741	-	63,111
Due from other governments	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 351,287</u>	<u>\$ 477,106</u>	<u>\$ 1,670,711</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 1,755	\$ 852
Accrued payroll expenses	-	-	987	30,123
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>2,742</u>	<u>30,975</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	474,364	-
Public safety	-	-	-	-
County roads	-	-	-	1,639,736
Culture and recreation	-	-	-	-
Health and welfare	-	351,287	-	-
County property valuation	-	-	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>351,287</u>	<u>474,364</u>	<u>1,639,736</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 351,287</u>	<u>\$ 477,106</u>	<u>\$ 1,670,711</u>

See independent auditors' report.

**Special Revenue**

<b>Emergency Communication /EMS</b>	<b>Farm &amp; Range Improvement</b>	<b>Law Enforcement Protection</b>	<b>Lodgers' Tax</b>	<b>Recreation</b>
\$ 108,627	\$ 4,477	\$ -	\$ 72,276	\$ 2,994
975,000	-	-	-	-
184,677	-	-	-	-
-	-	-	-	-
<b>\$ 1,268,304</b>	<b>\$ 4,477</b>	<b>\$ -</b>	<b>\$ 72,276</b>	<b>\$ 2,994</b>
\$ 18,500	\$ -	\$ -	\$ 1,035	\$ -
-	-	-	-	-
18,500	-	-	1,035	-
-	4,477	-	-	-
1,249,804	-	-	-	-
-	-	-	71,241	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,994
<b>1,249,804</b>	<b>4,477</b>	<b>-</b>	<b>71,241</b>	<b>2,994</b>
<b>\$ 1,268,304</b>	<b>\$ 4,477</b>	<b>\$ -</b>	<b>\$ 72,276</b>	<b>\$ 2,994</b>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2018

**Special Revenue**

	<b>Senior Citizen Program</b>	<b>County Fire Protection</b>	<b>DWI Program</b>	<b>Clerk Recording &amp; Filing</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 67,205	\$ 492,395	\$ 59,614	\$ 632,710
Investments	-	1,900,000	-	-
Receivables:				
Other taxes	-	63,896	-	-
Due from other governments	118,590	-	106,604	-
<i>Total assets</i>	<u>\$ 185,795</u>	<u>\$ 2,456,291</u>	<u>\$ 166,218</u>	<u>\$ 632,710</u>
<i>Liabilities</i>				
Accounts payable	\$ 7,242	\$ -	\$ 15	\$ 100
Accrued payroll expenses	40,535	-	39,836	-
<i>Total liabilities</i>	<u>47,777</u>	<u>-</u>	<u>39,851</u>	<u>100</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	632,610
Public safety	-	2,456,291	126,367	-
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	138,018	-	-	-
County property valuation	-	-	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>138,018</u>	<u>2,456,291</u>	<u>126,367</u>	<u>632,610</u>
<i>Total liabilities and fund balances</i>	<u>\$ 185,795</u>	<u>\$ 2,456,291</u>	<u>\$ 166,218</u>	<u>\$ 632,710</u>

See independent auditors' report.

**Special Revenue**

<b>Fire Department Funds</b>	<b>EMS Funds</b>	<b>New Mexico State Library</b>	<b>Economic Development</b>	<b>Forest Reserve</b>
\$ 2,231,986	\$ 6,462	\$ -	\$ 30,000	\$ 256,432
-	-	-	-	1,395,000
-	-	-	-	-
-	-	9,306	4,020	-
<u>\$ 2,231,986</u>	<u>\$ 6,462</u>	<u>\$ 9,306</u>	<u>\$ 34,020</u>	<u>\$ 1,651,432</u>
\$ 4,779	\$ -	\$ -	\$ -	\$ 168
-	-	-	-	187
<u>4,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355</u>
-	-	-	-	-
2,227,207	6,462	-	-	-
-	-	-	-	1,651,077
-	-	9,306	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	34,020	-
-	-	-	-	-
<u>2,227,207</u>	<u>6,462</u>	<u>9,306</u>	<u>34,020</u>	<u>1,651,077</u>
<u>\$ 2,231,986</u>	<u>\$ 6,462</u>	<u>\$ 9,306</u>	<u>\$ 34,020</u>	<u>\$ 1,651,432</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2018

**Special Revenue**

	<b>Summer Food Program</b>	<b>SCAAP</b>	<b>Sheriff's Grants</b>	<b>DWI NMYCC Program</b>
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 4,907	\$ -	\$ -
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	-
Due from other governments	16,733	-	13,828	108,870
<i>Total assets</i>	<u>\$ 16,733</u>	<u>\$ 4,907</u>	<u>\$ 13,828</u>	<u>\$ 108,870</u>
<i>Liabilities</i>				
Accounts payable	\$ 1,139	\$ -	\$ -	\$ -
Accrued payroll expenses	14,410	-	665	24,916
<i>Total liabilities</i>	<u>15,549</u>	<u>-</u>	<u>665</u>	<u>24,916</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Public safety	-	-	13,163	83,954
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,184	-	-	-
County property valuation	-	4,907	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>1,184</u>	<u>4,907</u>	<u>13,163</u>	<u>83,954</u>
<i>Total liabilities and fund balances</i>	<u>\$ 16,733</u>	<u>\$ 4,907</u>	<u>\$ 13,828</u>	<u>\$ 108,870</u>

See independent auditors' report.



<b>Special Revenue</b>			<b>Capital Projects</b>	
<b>Behavioral Health</b>	<b>Inmate Evercom Phone</b>	<b>Redi Net</b>	<b>Senior Appropriations Capital Projects</b>	<b>Fire District Bond Fund</b>
\$ 25,423	\$ 34,432	\$ 24,514	\$ -	\$ 210,751
-	-	-	-	319,233
-	-	-	-	-
151,553	-	-	120,795	-
<u>\$ 176,976</u>	<u>\$ 34,432</u>	<u>\$ 24,514</u>	<u>\$ 120,795</u>	<u>\$ 529,984</u>
\$ 1,920	\$ 3,537	\$ -	\$ -	\$ -
18,123	-	-	-	-
<u>20,043</u>	<u>3,537</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	30,895	24,514	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
156,933	-	-	-	-
-	-	-	-	-
-	-	-	120,795	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	529,984
<u>156,933</u>	<u>30,895</u>	<u>24,514</u>	<u>120,795</u>	<u>529,984</u>
<u>\$ 176,976</u>	<u>\$ 34,432</u>	<u>\$ 24,514</u>	<u>\$ 120,795</u>	<u>\$ 529,984</u>

See independent auditors' report.

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**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2018

Statement A-1  
 Page 4 of 4

	<u>Capital Projects</u>		<u>Debt Service</u>		<b>Total Nonmajor Governmental Funds</b>
	<b>EMS Bond Fund</b>	<b>Legislative Appropriations</b>	<b>Reserve Accounts</b>		
<i>Assets</i>					
Cash and cash equivalents	\$ 44,357	\$ -	\$ 257,367		\$ 6,655,181
Investments	-	-	-		4,908,233
Receivables:					
Other taxes	-	-	-		340,425
Due from other governments	-	476,924	-		1,127,223
<i>Total assets</i>	<u>\$ 44,357</u>	<u>\$ 476,924</u>	<u>\$ 257,367</u>		<u>\$ 13,031,062</u>
<i>Liabilities</i>					
Accounts payable	\$ -	\$ -	\$ -		\$ 41,042
Accrued payroll expenses	-	-	-		169,782
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>		<u>210,824</u>
<i>Fund balances</i>					
Spendable					
Restricted for:					
General county operations	-	-	-		1,166,860
Public safety	-	-	-		6,163,248
County roads	-	-	-		3,290,813
Culture and recreation	-	-	-		80,547
Health and welfare	-	-	-		647,422
County property valuation	-	-	-		4,907
Capital improvements	-	-	-		120,795
Debt service	-	-	257,367		257,367
Assigned to:					
Economic development	-	-	-		34,020
Capital projects	44,357	476,924	-		1,054,259
<i>Total fund balances</i>	<u>44,357</u>	<u>476,924</u>	<u>257,367</u>		<u>12,820,238</u>
<i>Total liabilities and fund balances</i>	<u>\$ 44,357</u>	<u>\$ 476,924</u>	<u>\$ 257,367</u>		<u>\$ 13,031,062</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, 2018

	<b>Special Revenue</b>			
	<b>Corrections / Jail Operations</b>	<b>Environmental</b>	<b>County Property Valuation</b>	<b>County Road</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ 192,054	\$ -
Gross receipts	-	185,191	-	-
Gasoline and motor vehicle	-	-	-	566,009
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	738,754
State operating grants	-	126,197	-	-
State capital grants	-	-	-	-
Charges for services	181,913	-	-	-
Licenses and fees	-	-	-	615
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>181,913</u>	<u>311,388</u>	<u>192,054</u>	<u>1,305,378</u>
<i>Expenditures</i>				
Current:				
General government	-	-	172,448	-
Public safety	181,913	-	-	-
Public works	-	-	-	1,119,286
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	77,967
Debt service:				
Principal	-	206,621	-	-
Interest	-	133,505	-	-
<i>Total expenditures</i>	<u>181,913</u>	<u>340,126</u>	<u>172,448</u>	<u>1,197,253</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(28,738)</u>	<u>19,606</u>	<u>108,125</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
Transfers in	-	-	-	500,000
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
<i>Net change in fund balances</i>	-	(28,738)	19,606	608,125
<i>Fund balances - beginning of year</i>	-	380,025	454,758	1,031,611
<i>Fund balances - reclassification</i>	-	-	-	-
<i>Fund balances - beginning as adjusted</i>	<u>-</u>	<u>380,025</u>	<u>454,758</u>	<u>1,031,611</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 351,287</u>	<u>\$ 474,364</u>	<u>\$ 1,639,736</u>

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**Special Revenue**

<b>Emergency Communication /EMS</b>	<b>Farm &amp; Range Improvement</b>	<b>Law Enforcement Protection</b>	<b>Lodgers' Tax</b>	<b>Recreation</b>
\$ -	\$ -	\$ -	\$ -	\$ -
1,098,567	-	-	-	-
-	-	-	82,273	-
-	-	-	-	-
-	9,477	45,700	-	-
-	-	-	-	2,963
-	-	-	-	-
-	-	-	-	-
<u>1,098,567</u>	<u>9,477</u>	<u>45,700</u>	<u>82,273</u>	<u>2,963</u>
-	-	-	-	-
1,018,227	-	45,700	-	-
-	-	-	-	-
-	-	-	78,227	5,718
-	35,500	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,018,227</u>	<u>35,500</u>	<u>45,700</u>	<u>78,227</u>	<u>5,718</u>
<u>80,340</u>	<u>(26,023)</u>	<u>-</u>	<u>4,046</u>	<u>(2,755)</u>
-	-	-	-	-
-	30,500	-	-	-
-	-	-	-	-
<u>-</u>	<u>30,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
80,340	4,477	-	4,046	(2,755)
1,169,464	-	-	67,195	5,749
-	-	-	-	-
<u>1,169,464</u>	<u>-</u>	<u>-</u>	<u>67,195</u>	<u>5,749</u>
<u>\$ 1,249,804</u>	<u>\$ 4,477</u>	<u>\$ -</u>	<u>\$ 71,241</u>	<u>\$ 2,994</u>

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**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, 2018

	<b>Special Revenue</b>			
	<b>Senior Citizen Program</b>	<b>County Fire Protection</b>	<b>DWI Program</b>	<b>Clerk Recording &amp; Filing</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	417,750	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	409,488	-	-	-
State operating grants	578,226	-	1,120,585	-
State capital grants	-	-	-	-
Charges for services	-	-	-	150,078
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	48,162	-	12,125	-
<i>Total revenues</i>	<u>1,035,876</u>	<u>417,750</u>	<u>1,132,710</u>	<u>150,078</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	18,871
Public safety	-	4,312	1,156,588	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,534,213	-	-	-
Capital outlay	-	75,000	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,534,213</u>	<u>79,312</u>	<u>1,156,588</u>	<u>18,871</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(498,337)</u>	<u>338,438</u>	<u>(23,878)</u>	<u>131,207</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
Transfers in	515,650	-	126,604	-
Transfers (out)	-	-	(186,323)	-
<i>Total other financing sources (uses)</i>	<u>515,650</u>	<u>-</u>	<u>(59,719)</u>	<u>-</u>
<i>Net change in fund balances</i>	17,313	338,438	(83,597)	131,207
<i>Fund balances - beginning of year</i>	120,705	2,117,853	185,093	501,403
<i>Fund balances - reclassification</i>	-	-	24,871	-
<i>Fund balances - beginning as adjusted</i>	<u>120,705</u>	<u>2,117,853</u>	<u>209,964</u>	<u>501,403</u>
<i>Fund balances - end of year</i>	<u>\$ 138,018</u>	<u>\$ 2,456,291</u>	<u>\$ 126,367</u>	<u>\$ 632,610</u>

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**Special Revenue**

<b>Fire Department Funds</b>	<b>EMS Funds</b>	<b>New Mexico State Library</b>	<b>Economic Development</b>	<b>Forest Reserve</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	30,000	130,368
-	225,025	13,771	-	-
1,725,283	-	-	-	-
-	-	-	-	-
870	-	-	-	-
-	-	-	13,020	-
<u>1,726,153</u>	<u>225,025</u>	<u>13,771</u>	<u>43,020</u>	<u>130,368</u>
-	-	-	13,020	-
855,881	99,612	-	-	-
-	-	-	-	31,610
-	-	13,771	-	-
-	-	-	-	-
724,802	125,625	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,580,683</u>	<u>225,237</u>	<u>13,771</u>	<u>13,020</u>	<u>31,610</u>
<u>145,470</u>	<u>(212)</u>	<u>-</u>	<u>30,000</u>	<u>98,758</u>
128,927	-	-	-	-
50,000	-	9,306	4,020	-
<u>(151,706)</u>	<u>-</u>	<u>(2,158)</u>	<u>-</u>	<u>-</u>
<u>27,221</u>	<u>-</u>	<u>7,148</u>	<u>4,020</u>	<u>-</u>
172,691	(212)	7,148	34,020	98,758
2,054,516	6,674	2,158	-	1,552,319
-	-	-	-	-
<u>2,054,516</u>	<u>6,674</u>	<u>2,158</u>	<u>-</u>	<u>1,552,319</u>
<u>\$ 2,227,207</u>	<u>\$ 6,462</u>	<u>\$ 9,306</u>	<u>\$ 34,020</u>	<u>\$ 1,651,077</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, 2018

**Special Revenue**

	<b>Summer Food Program</b>	<b>SCAAP</b>	<b>Sheriff's Grants</b>	<b>DWI NMYCC Program</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	6,707	-
State operating grants	69,425	-	30,329	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	108,870
<i>Total revenues</i>	<u>69,425</u>	<u>-</u>	<u>37,036</u>	<u>108,870</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	2,895	33,613	133,786
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	108,238	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>108,238</u>	<u>2,895</u>	<u>33,613</u>	<u>133,786</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(38,813)</u>	<u>(2,895)</u>	<u>3,423</u>	<u>(24,916)</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
Transfers in	56,733	-	13,828	108,870
Transfers (out)	(49,532)	-	(8,872)	(296)
<i>Total other financing sources (uses)</i>	<u>7,201</u>	<u>-</u>	<u>4,956</u>	<u>108,574</u>
<i>Net change in fund balances</i>	(31,612)	(2,895)	8,379	83,658
<i>Fund balances - beginning of year</i>	32,796	7,802	(201,137)	296
<i>Fund balances - reclassification</i>	-	-	205,921	-
<i>Fund balances - beginning as adjusted</i>	<u>32,796</u>	<u>7,802</u>	<u>4,784</u>	<u>296</u>
<i>Fund balances - end of year</i>	<u>\$ 1,184</u>	<u>\$ 4,907</u>	<u>\$ 13,163</u>	<u>\$ 83,954</u>

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Special Revenue			Capital Projects	
Behavioral Health	Inmate Evercom Phone	Redi Net	Senior Appropriations Capital Projects	Fire District Bond Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
130,873	-	-	-	-
914,653	-	-	-	-
-	-	-	131,605	-
-	-	60,357	-	-
-	-	-	-	-
-	-	-	-	-
-	19,470	-	-	-
<u>1,045,526</u>	<u>19,470</u>	<u>60,357</u>	<u>131,605</u>	<u>-</u>
-	-	27,783	-	-
-	25,188	-	-	-
-	-	-	-	-
-	-	-	-	-
1,041,401	-	-	54,302	-
-	-	-	77,432	-
-	-	-	-	-
-	-	-	-	-
<u>1,041,401</u>	<u>25,188</u>	<u>27,783</u>	<u>131,734</u>	<u>-</u>
<u>4,125</u>	<u>(5,718)</u>	<u>32,574</u>	<u>(129)</u>	<u>-</u>
-	-	-	-	-
166,877	-	-	120,795	151,706
(175,880)	-	(74,230)	(14,455)	-
<u>(9,003)</u>	<u>-</u>	<u>(74,230)</u>	<u>106,340</u>	<u>151,706</u>
(4,878)	(5,718)	(41,656)	106,211	151,706
186,685	36,613	66,170	26,313	378,278
(24,874)	-	-	(11,729)	-
<u>161,811</u>	<u>36,613</u>	<u>66,170</u>	<u>14,584</u>	<u>378,278</u>
<u>\$ 156,933</u>	<u>\$ 30,895</u>	<u>\$ 24,514</u>	<u>\$ 120,795</u>	<u>\$ 529,984</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, 2018

	<u>Capital Projects</u>		<u>Debt Service</u>	<b>Total Nonmajor Governmental Funds</b>
	<u>EMS Bond Fund</u>	<u>Legislative Appropriations</u>	<u>Reserve Accounts</u>	
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 192,054
Gross receipts	-	-	-	1,701,508
Gasoline and motor vehicle	-	-	-	566,009
Lodgers tax	-	-	-	82,273
Intergovernmental:				
Federal operating grants	-	1,113,800	-	2,559,990
State operating grants	-	-	-	3,133,388
State capital grants	-	-	213,528	2,070,416
Charges for services	-	-	-	395,311
Licenses and fees	-	-	-	615
Investment income	-	-	3,786	4,656
Miscellaneous	-	-	-	201,647
<i>Total revenues</i>	<u>-</u>	<u>1,113,800</u>	<u>217,314</u>	<u>10,907,867</u>
<i>Expenditures</i>				
Current:				
General government	-	631,124	-	863,246
Public safety	-	-	-	3,557,715
Public works	-	-	-	1,150,896
Culture and recreation	-	-	-	97,716
Health and welfare	-	-	-	2,773,654
Capital outlay	-	468,872	-	1,549,698
Debt service:				
Principal	-	-	109,940	316,561
Interest	-	-	103,584	237,089
<i>Total expenditures</i>	<u>-</u>	<u>1,099,996</u>	<u>213,524</u>	<u>10,546,575</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>13,804</u>	<u>3,790</u>	<u>361,292</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	128,927
Transfers in	-	477,023	-	2,331,912
Transfers (out)	-	(178,467)	-	(841,919)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>298,556</u>	<u>-</u>	<u>1,618,920</u>
<i>Net change in fund balances</i>	-	312,360	3,790	1,980,212
<i>Fund balances - beginning of year</i>	44,357	152,835	253,577	10,634,108
<i>Fund balances - reclassification</i>	-	11,729	-	205,918
<i>Fund balances - beginning as adjusted</i>	<u>44,357</u>	<u>164,564</u>	<u>253,577</u>	<u>10,840,026</u>
<i>Fund balances - end of year</i>	<u>\$ 44,357</u>	<u>\$ 476,924</u>	<u>\$ 257,367</u>	<u>\$ 12,820,238</u>

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## **SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Deposit and Investment Accounts  
June 30, 2018

<b>Bank Name/Account Name</b>	<b>Account Type</b>	<b>Bank Balance</b>	<b>Deposits in Transit</b>	<b>Outstanding Checks</b>	<b>Book Balance</b>
<b>New Mexico Bank and Trust</b>					
Operating	Checking	\$ 11,761,222	\$ -	\$ 2,136,415	\$ 9,624,807
Treasurer	Checking	594,784	75,404	16,427	653,761
Inmate Trust Account	Checking	29,646	102	6,886	22,862
Savings	Savings	5,007,751	-	-	5,007,751
Certificate of Deposit	CD	1,320,006	-	-	1,320,006
Certificate of Deposit	CD	1,014,399	-	-	1,014,399
<i>Total New Mexico Bank and Trust</i>		<u>19,727,808</u>	<u>75,506</u>	<u>2,159,728</u>	<u>17,643,586</u>
<b>Bank of the West</b>					
Money Market	MM	50,375	-	-	50,375
Certificate of Deposit	CD	1,007,853	-	-	1,007,853
<i>Total Bank of the West</i>		<u>1,058,228</u>	<u>-</u>	<u>-</u>	<u>1,058,228</u>
<b>Century Bank</b>					
Certificate of Deposit	CD	5,112,092	-	-	5,112,092
<i>Total Century Bank</i>		<u>5,112,092</u>	<u>-</u>	<u>-</u>	<u>5,112,092</u>
<b>Washington Federal</b>					
Savings	Savings	504,753	-	-	504,753
Certificate of Deposit	CD	300,090	-	-	300,090
<i>Total Washington Federal</i>		<u>804,843</u>	<u>-</u>	<u>-</u>	<u>804,843</u>
<b>Wells Fargo</b>					
Savings	Savings	110,178	-	-	110,178
<i>Total Wells Fargo</i>		<u>110,178</u>	<u>-</u>	<u>-</u>	<u>110,178</u>
<b>South West Capital</b>					
Certificate of Deposit	CD	1,000,000	-	-	1,000,000
Certificate of Deposit	CD	758,057	-	-	758,057
Certificate of Deposit	CD	252,673	-	-	252,673
<i>Total South West Capital</i>		<u>2,010,730</u>	<u>-</u>	<u>-</u>	<u>2,010,730</u>
<i>Bank balance of deposits</i>		<u>\$ 28,823,879</u>	<u>\$ 75,506</u>	<u>\$ 2,159,728</u>	<u>\$ 26,739,657</u>
<b>New Mexico Finance Authority</b>					
Rio Arriba 3	Investment	\$ 41,240	\$ -	\$ -	\$ 41,240
Rio Arriba 3 Reserve Funds	Investment	188,356	-	-	188,356
Rio Arriba 5 Reserve Funds	Investment	161	-	-	161
NCSWA 2	Investment	13,369	-	-	13,369
NCSWA 2 Reserve Funds	Investment	14,402	-	-	14,402
<i>Total New Mexico Finance Authority</i>		<u>257,528</u>	<u>-</u>	<u>-</u>	<u>257,528</u>

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<u>Bank Name/Account Name</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Book Balance</u>
<b>State of New Mexico LGIP</b>					
LGIP	Investment	\$ 1,064,327	\$ -	\$ -	\$ 1,064,327
<i>Total State of New Mexico LGIP</i>		<u>1,064,327</u>	<u>-</u>	<u>-</u>	<u>1,064,327</u>
<i>Total investments</i>		<u>1,321,855</u>	<u>-</u>	<u>-</u>	<u>1,321,855</u>
<i>Total deposits and investments</i>		<u>\$ 30,145,734</u>	<u>\$ 75,506</u>	<u>\$ 2,159,728</u>	<u>\$ 28,061,512</u>
Deposits and investments per financial statements:					
Cash and cash equivalents - Exhibit A-1					\$ 15,433,179
Investments - Exhibit A-1					10,765,169
Restricted cash and cash equivalents - Exhibit A-1					1,321,855
Fiduciary funds cash - Exhibit E-1					<u>541,309</u>
<i>Total cash and cash equivalents</i>					<u>\$ 28,061,512</u>

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**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Collateral Pledged by Depository  
For Public Funds  
June 30, 2018

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2018
<b>First New Mexico Bank</b>				
	DAL TX RAP TRANS SALES TAX REV	12/1/2034	235241SM9	\$ 914,958
	GNR 2015-177 QW	7/20/2045	38379F6N4	2,926,536
	MASS ST EDUC FAC AUTH REV	7/1/2022	57563RNJ4	3,293,010
	SBA VARIABLE RATE LOAN 521893	12/25/2037	83165AKE3	1,147,238
	SBA VARIABLE RATE LOAN 521894	4/25/2038	83165AKFO	1,172,499
	SBA VARIABLE RATE LOAN 521933	2/25/2038	83165ALN2	162,256
	SBA VARIABLE RATE LOAN 521969	6/25/2038	83165AMSO	946,796
	SBA VARIABLE RATE LOAN 522265	4/25/2041	83165AW26	2,108,670
<i>Total First New Mexico Bank</i>				<u>12,671,963</u>

The location of the safekeeper of the above securities is Sun Trust Bank Atlanta, GA

<b>Bank of the West</b>				
	GN 16179 A SEQ FIX	3/20/2042	38376T6S6	396,415
	GNMA2 ARM MULTIPLE	2/20/2042	36225FLV9	248,991
	GNMA1 SINGLE FAMILY 30 YR	6/15/2042	36176XUA5	72,632
	FNCL AS7582 3.00 07/01/46	7/1/2046	3138WHM82	74,674
	GNMA2 SINGLE FAMILY 30 YR	4/20/2042	36179MAX8	20,074
	FNMA CONV 30 YR SF	9/1/2042	3138M8J61	15,086
	G2SF MA 2677 3.00 03/20/45	3/20/2045	36179Q6N6	8,715
	GNMA2 ARM MULTIPLE	1/20/2043	36179MYQ7	2,839
	G2SF MA3662 3.00 05/20/46	5/20/2046	36179SB71	3,727
	G2SF MA2753 3.00 04/20/45	4/20/2045	36179RBW8	1,660
<i>Total Bank of the West</i>				<u>844,813</u>

The location of the safekeeper of the above securities is Wells Fargo Minneapolis, MN

<b>Century Bank</b>				
	ALB. BERNALILLO CO WTR UTIL	7/1/2025	013493DB4	415,612
	CARLSBAD NM MUN SD	8/1/2024	142735DQ9	795,911
	CLOVIS NM GROSS	6/1/2028	189387CR2	412,007
	LOS LUNAS NM SD	7/15/2022	545562PJ3	525,117
	W LAS VEGAS NM SD 1	8/15/2019	953769JX5	400,444
<i>Total Century Bank</i>				<u>2,549,091</u>

The location of the safekeeper of the above securities is Federal Home Loan Bank Dallas, TX

<b>Washington Federal</b>				
	FNMA PL#BC2636	11/1/2046	3140EW4W2	624,079
<i>Total Washington Federal</i>				<u>624,079</u>

The location of the safekeeper of the above securities is Federal Home Loan Bank Seattle, WA

<i>Total Pledged Collateral</i>	<u>\$ 16,689,946</u>
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See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Changes in Fiduciary Assets and Liabilities  
 Agency Fund  
 For the Year Ended June 30, 2018

Schedule III

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2018</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 537,994	\$ 19,251,024	\$ 19,247,709	\$ 541,309
Other taxes receivable	237,184	320,160	237,184	320,160
Property taxes receivable	<u>2,831,022</u>	<u>19,380,905</u>	<u>18,184,695</u>	<u>4,027,232</u>
<i>Total assets</i>	<u>\$ 3,606,200</u>	<u>\$ 38,952,089</u>	<u>\$ 37,669,588</u>	<u>\$ 4,888,701</u>
<b>Liabilities</b>				
Due to other entities and inmates	<u>\$ 3,606,200</u>	<u>\$ 38,952,089</u>	<u>\$ 37,669,588</u>	<u>\$ 4,888,701</u>
<i>Total liabilities</i>	<u>\$ 3,606,200</u>	<u>\$ 38,952,089</u>	<u>\$ 37,669,588</u>	<u>\$ 4,888,701</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2018

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>State Debt Service</b>			
2008	815,451	20,711	800
2009	814,248	24,937	758
2010	1,086,460	23,703	1,495
2011	973,698	25,368	1,750
2012	1,075,238	(22,972)	2,608
2013	1,115,526	(12,240)	4,199
2014	1,187,511	(7,744)	8,038
2015	1,137,478	6,054	27,967
2016	1,164,359	9,337	77,066
2017	1,146,147	(5,180)	997,143
	<b>\$ 10,516,116</b>	<b>\$ 61,973</b>	<b>\$ 1,121,823</b>
<b>County Operating</b>			
2008	4,593,764	(13,489)	4,019
2009	5,094,860	(17,253)	4,290
2010	5,135,259	(17,986)	6,410
2011	5,301,212	3,773	8,263
2012	5,510,747	(89,616)	11,238
2013	5,677,306	(18,556)	19,405
2014	5,760,860	(26,920)	32,668
2015	5,763,596	89,534	124,070
2016	5,874,727	114,188	393,577
2017	6,038,070	(29,009)	5,336,112
	<b>\$ 54,750,401</b>	<b>\$ (5,333)</b>	<b>\$ 5,940,053</b>
<b>Municipalities</b>			
<b>Village of Chama</b>			
2008	71,406	(36)	8
2009	75,956	(93)	6
2010	78,093	(296)	12
2011	80,715	(188)	219
2012	87,255	(2,594)	457
2013	89,343	(440)	740
2014	93,025	(75)	1,014
2015	98,797	42	3,125
2016	99,390	(172)	6,305
2017	102,992	(620)	85,253
	<b>\$ 876,972</b>	<b>\$ (4,473)</b>	<b>\$ 97,140</b>



<b>Taxes Collected to Date</b>	<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>County Taxes Receivable at Year End</b>
827,377	790	827,336	8,785
828,724	834	828,699	10,461
1,094,738	1,583	1,094,662	15,424
982,395	1,820	982,249	16,670
1,031,094	2,751	1,030,979	21,172
1,074,872	4,402	1,074,534	28,415
1,141,266	12,797	1,140,710	38,501
1,099,252	26,655	1,092,772	44,280
1,096,918	85,935	1,093,059	76,778
997,143	987,298	986,333	143,824
<b>\$ 10,173,779</b>	<b>\$ 1,124,865</b>	<b>\$ 10,151,333</b>	<b>\$ 404,311</b>

4,539,407	3,962	4,539,232	40,868
5,020,539	4,616	5,020,404	57,069
5,057,019	6,671	5,056,735	60,255
5,233,789	8,493	5,232,962	71,196
5,338,683	11,998	5,338,184	82,448
5,545,339	20,461	5,543,562	113,412
5,605,952	50,163	5,603,184	127,988
5,675,197	116,921	5,647,369	177,934
5,672,952	436,462	5,656,760	315,963
5,336,112	5,294,149	5,290,313	672,949
<b>\$ 53,024,988</b>	<b>\$ 5,953,896</b>	<b>\$ 52,928,704</b>	<b>\$ 1,720,080</b>

71,198	8	71,198	171
75,667	6	75,667	196
77,499	12	77,499	298
79,953	219	79,953	573
84,273	457	84,273	388
88,197	699	88,156	705
91,724	1,448	91,681	1,227
96,064	2,859	95,330	2,775
93,240	8,855	93,097	5,979
85,253	83,887	83,829	17,119
<b>\$ 843,068</b>	<b>\$ 98,450</b>	<b>\$ 840,683</b>	<b>\$ 29,431</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2018

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>City of Espanola</b>			
2008	366,079	(1,932)	153
2009	405,401	(3,077)	184
2010	402,604	(1,723)	88
2011	413,337	(3,360)	124
2012	449,868	(16,940)	611
2013	475,248	(6,584)	1,304
2014	489,511	(11,829)	3,132
2015	544,347	(6,477)	13,939
2016	553,183	(1,550)	32,636
2017	579,037	(3,410)	505,229
	<b>\$ 4,678,616</b>	<b>\$ (56,881)</b>	<b>\$ 557,398</b>

**Mesa Vista SD#6**

2008	247,127	(475)	269
2009	232,059	(489)	295
2010	217,787	(977)	209
2011	213,116	(839)	605
2012	239,453	(4,572)	1,177
2013	246,687	(719)	2,578
2014	237,709	(907)	4,079
2015	289,061	823	10,083
2016	289,701	(1,083)	20,871
2017	206,733	1,503	177,431
	<b>\$ 2,419,432</b>	<b>\$ (7,735)</b>	<b>\$ 217,597</b>

**Chama Valley Schools #19**

2008	1,215,339	(1,890)	1,622
2009	1,452,005	(2,300)	1,596
2010	1,301,590	(5,507)	1,686
2011	1,291,997	(10,145)	2,239
2012	1,276,048	(41,016)	3,250
2013	1,275,053	(12,104)	5,251
2014	1,278,349	(16,554)	8,999
2015	1,501,846	(12,793)	40,363
2016	1,719,268	(7,988)	104,929
2017	1,614,901	(13,883)	1,406,890
	<b>\$ 13,926,395</b>	<b>\$ (124,179)</b>	<b>\$ 1,576,826</b>

<b>Taxes Collected to Date</b>	<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>County Taxes Receivable at Year End</b>
361,887	136	361,864	2,259.06
397,683	227	397,683	4,642
397,228	90	397,188	3,654
405,037	116	404,989	4,941
427,042	611	426,976	5,886
459,361	910	458,893	9,304
468,237	3,869	467,704	9,444
520,797	13,029	518,478	17,072
518,656	38,436	517,328	32,977
505,229	502,440	501,918	70,399
<b>\$ 4,461,157</b>	<b>\$ 559,863</b>	<b>\$ 4,453,022</b>	<b>\$ 160,578</b>

243,599	269	243,599	3,053
228,039	295	228,039	3,531
213,385	209	213,385	3,426
207,778	620	207,778	4,498
229,019	1,281	229,019	5,862
236,254	2,623	236,254	9,715
226,472	5,045	226,377	10,330
274,381	10,768	272,910	15,503
263,767	22,637	261,786	24,851
177,431	174,849	174,699	30,805
<b>\$ 2,300,125</b>	<b>\$ 218,597</b>	<b>\$ 2,293,847</b>	<b>\$ 111,573</b>

1,201,304	1,541	1,201,194	12,144
1,431,766	1,503	1,431,657	17,940
1,276,773	1,723	1,276,712	19,309
1,262,244	2,276	1,262,184	19,609
1,215,125	3,450	1,215,075	19,908
1,237,811	6,014	1,237,651	25,139
1,233,084	14,756	1,232,664	28,711
1,443,262	39,331	1,435,095	45,792
1,614,962	124,373	1,610,046	96,318
1,406,890	1,391,164	1,389,295	194,128
<b>\$ 13,323,220</b>	<b>\$ 1,586,131</b>	<b>\$ 13,291,574</b>	<b>\$ 478,996</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2018

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>Dulce Independent #21</b>			
2008	807,616	(1,290)	10
2009	782,844	(1,610)	8
2010	1,705,764	(3,773)	57
2011	781,141	51,023	49
2012	672,514	12,122	160
2013	999,423	19,215	964
2014	894,579	17,604	1,017
2015	1,374,204	45,222	4,573
2016	2,382,362	127,287	72,336
2017	1,509,746	(27)	1,452,743
	<b>\$ 11,910,194</b>	<b>\$ 265,773</b>	<b>\$ 1,531,917</b>

**Penasco #32**

2008	25,349	(12)	-
2009	41,176	1	43
2010	31,833	(16)	42
2011	10,407	(7)	18
2012	14,544	(739)	21
2013	23,253	(394)	51
2014	22,602	(406)	136
2015	22,613	(60)	1,085
2016	23,057	57	2,328
2017	25,225	(3)	20,625
	<b>\$ 240,059</b>	<b>\$ (1,580)</b>	<b>\$ 24,349</b>

**Espanola 45IN&Out**

2008	2,329,695	(8,908)	1,810
2009	2,323,036	(10,548)	1,862
2010	2,368,898	(10,168)	3,393
2011	2,372,103	(15,355)	4,459
2012	2,355,363	(59,816)	6,186
2013	3,674,126	(39,639)	15,058
2014	3,308,532	(38,697)	23,118
2015	3,599,780	10,850	105,621
2016	4,624,070	26,007	341,145
2017	3,853,313	(15,240)	3,313,821
	<b>\$ 30,808,917</b>	<b>\$ (161,513)</b>	<b>\$ 3,816,473</b>

<b>Taxes Collected to Date</b>	<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>County Taxes Receivable at Year End</b>
801,420	10	801,420	4,906
777,629	8	777,629	3,605
1,693,096	57	1,693,096	8,895
827,706	49	827,706	4,458.37
679,874	305	679,874	4,761.39
1,011,032	1,051	1,010,981	7,606.46
903,915	1,634	903,915	8,268.24
1,404,938	5,752	1,404,015	14,487.72
2,479,194	72,493	2,477,097	30,454
1,452,743	1,450,980	1,450,977	56,976
<b>\$ 12,031,548</b>	<b>\$ 1,532,338</b>	<b>\$ 12,026,711</b>	<b>\$ 144,419</b>

24,964	-	24,964	373
40,556	43	40,556	620
31,233	42	31,233	584
10,140	18	10,140	260
13,492	21	13,492	313
22,197	51	22,197	662
21,287	472	21,287	909
21,489	1,308	21,489	1,063
21,621	2,496	21,470	1,493
20,625	20,258	20,211	4,597
<b>\$ 227,604</b>	<b>\$ 24,709</b>	<b>\$ 227,040</b>	<b>\$ 10,875</b>

2,296,666	1,807	2,296,530	24,122
2,283,706	2,288	2,283,636	28,782
2,328,373	3,728	2,328,146	30,357
2,319,802	4,731	2,319,280	36,946
2,253,685	6,465	2,253,329	41,862
3,548,012	15,331	3,546,447	86,475
3,177,103	37,425	3,175,128	92,732
3,467,520	94,766	3,440,315	143,111
4,316,223	383,844	4,297,938	333,855
3,313,821	3,275,677	3,272,313	524,252
<b>\$ 29,304,911</b>	<b>\$ 3,826,062</b>	<b>\$ 29,213,063</b>	<b>\$ 1,342,493</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2018

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>Jemez Mtn #53</b>			
2008	230,755	(728)	616
2009	297,168	(386)	718
2010	341,752	(535)	989
2011	364,059	(13,346)	1,103
2012	244,752	5,879	639
2013	276,660	2,142	891
2014	172,627	4,829	789
2015	191,226	8,073	2,730
2016	205,846	6,170	13,845
2017	214,453	(593)	193,382
	<b>\$ 2,539,297</b>	<b>\$ 11,505</b>	<b>\$ 215,701</b>

<b>Hospital</b>			
2008	2,301,310	(6,954)	2,167
2009	2,488,665	(8,352)	2,235
2010	2,499,118	(9,209)	3,325
2011	2,543,747	(1,795)	4,364
2012	2,666,298	(45,899)	6,134
2013	3,341,384	(17,520)	12,999
2014	3,383,296	(15,964)	21,899
2015	3,416,703	26,500	85,673
2016	3,463,909	37,559	230,394
2017	3,477,467	(13,304)	3,045,070
	<b>\$ 29,581,897</b>	<b>\$ (54,938)</b>	<b>\$ 3,414,260</b>

<b>Chama SWCD</b>			
2008	91,590	(167)	144
2009	102,088	(171)	136
2010	102,239	(444)	160
2011	104,523	(941)	160
2012	113,088	(3,677)	222
2013	111,876	(1,167)	360
2014	114,698	(1,223)	712
2015	117,268	(1,215)	3,016
2016	119,735	(622)	7,341
2017	119,710	(1,063)	105,370
	<b>\$ 1,096,814</b>	<b>\$ (10,690)</b>	<b>\$ 117,621</b>

<b>Taxes Collected to Date</b>	<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>County Taxes Receivable at Year End</b>
227,641	616	227,641	2,387
293,422	714	293,418	3,360
337,086	965	337,062	4,131
346,096	1,078	346,042	4,616.62
246,857	640	246,809	3,775
274,419	981	274,294	4,383
174,542	1,068	174,456	2,914
195,160	2,829	194,656	4,138
203,808	14,466	203,347	8,208
193,382	192,319	192,098	20,478
<b>\$ 2,492,412</b>	<b>\$ 215,676</b>	<b>\$ 2,489,823</b>	<b>\$ 58,390</b>

2,272,317	2,138	2,272,212	22,039
2,451,916	2,440	2,451,842	28,397
2,459,502	3,500	2,459,340	30,408
2,506,126	4,516	2,505,740	35,826
2,578,080	6,501	2,577,802	42,319
3,253,768	13,634	3,252,712	70,097
3,284,184	34,611	3,282,596	83,148
3,327,311	80,175	3,307,244	115,891
3,292,108	257,655	3,280,347	209,360
3,045,070	3,014,981	3,011,980	419,093
<b>\$ 28,470,381</b>	<b>\$ 3,420,152</b>	<b>\$ 28,401,813</b>	<b>\$ 1,056,577</b>

90,349	136	90,339	1,075
100,437	128	100,428	1,480
100,027	164	100,021	1,768
101,815	164	101,809	1,767
107,374	244	107,368	2,037
108,222	452	108,217	2,487
110,695	1,223	110,661	2,779
112,504	3,020	111,909	3,549
112,632	8,325	112,215	6,481
105,370	104,244	104,092	13,276
<b>\$ 1,049,425</b>	<b>\$ 118,100</b>	<b>\$ 1,047,060</b>	<b>\$ 36,700</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2018

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>East Espanola SWCD</b>			
2008	227,732	(669)	228
2009	291,497	(991)	268
2010	293,568	(1,225)	558
2011	298,430	(1,746)	743
2012	321,708	(6,896)	990
2013	331,059	(3,309)	1,532
2014	343,441	(1,522)	2,614
2015	349,359	3,103	10,690
2016	356,493	2,778	27,923
2017	353,961	(912)	302,589
	<b>\$ 3,167,248</b>	<b>\$ (11,391)</b>	<b>\$ 348,136</b>

<b>Cuba SWCD</b>			
2008	56,150	(179)	150
2009	63,003	(76)	155
2010	67,505	(110)	194
2011	64,822	(2,351)	196
2012	64,578	1,498	167
2013	69,758	496	223
2014	63,844	919	297
2015	67,705	3,278	742
2016	73,838	2,658	5,026
2017	77,704	(244)	70,488
	<b>\$ 668,906</b>	<b>\$ 5,889</b>	<b>\$ 77,638</b>



<b>Taxes Collected to Date</b>	<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>County Taxes Receivable at Year End</b>
224,317	233	224,302	2,745
286,788	332	286,776	3,717
288,195	619	288,169	4,147
291,642	795	291,565	5,042
308,559	1,046	308,512	6,253
319,476	1,668	319,402	8,274
330,613	4,391	330,456	11,307
337,062	9,717	334,329	15,400
332,006	31,350	330,544	27,265
302,589	298,749	298,439	50,461
<b>\$ 3,021,247</b>	<b>\$ 348,899</b>	<b>\$ 3,012,494</b>	<b>\$ 134,611</b>
55,390	150	55,390	581
62,220	154	62,219	708
66,575	190	66,571	819
61,646	191	61,637	825
65,074	167	65,062	1,002
69,138	244	69,106	1,116
63,597	451	63,559	1,166
69,482	867	69,373	1,501
73,777	5,135	73,635	2,718
70,488	70,104	70,053	6,973
<b>\$ 657,387</b>	<b>\$ 77,653</b>	<b>\$ 656,604</b>	<b>\$ 17,408</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2018

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>Upper Rio Grande Water Shed</b>			
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	270,078	(92,311)	1,472
2015	180,076	(1,369)	7,318
2016	141,942	(747)	8,123
2017	144,135	(704)	125,104
	<b>\$ 736,231</b>	<b>\$ (95,132)</b>	<b>\$ 142,017</b>
<b>Total</b>	<b>\$ 167,917,494</b>	<b>\$ (188,701)</b>	<b>\$ 19,198,949</b>
<b>Grand Total</b>			
2008	13,379,362	(16,017)	11,996
2009	14,464,007	(20,408)	12,554
2010	15,632,470	(28,266)	18,618
2011	14,813,305	30,093	24,293
2012	15,091,454	(275,239)	33,860
2013	17,706,704	(90,817)	65,553
2014	17,620,661	(190,802)	109,985
2015	18,654,056	171,566	440,995
2016	21,091,879	313,879	1,343,845
2017	19,463,594	(82,689)	17,137,250
<b>Grand Total</b>	<b>\$ 167,917,494</b>	<b>\$ (188,701)</b>	<b>\$ 19,198,949</b>

<b>Taxes Collected to Date</b>	<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>County Taxes Receivable at Year End</b>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
172,399	2,523	172,308	5,367
170,701	6,402	168,661	8,006
132,026	9,540	131,591	9,169
125,104	123,855	123,687	18,327
<b>\$ 600,230</b>	<b>\$ 142,320</b>	<b>\$ 596,248</b>	<b>\$ 40,869</b>
<b>\$ 161,981,481</b>	<b>\$ 19,247,709</b>	<b>\$ 161,630,018</b>	<b>\$ 5,747,312</b>

13,237,836	11,795	13,237,222	125,509
14,279,092	13,590	14,278,651	164,507
15,420,728	19,551	15,419,820	183,476
14,636,169	25,087	14,634,033	207,228
14,578,230	35,938	14,576,754	237,984
17,248,098	68,520	17,242,407	367,789
17,005,068	171,876	16,996,685	424,791
18,215,120	414,398	18,113,946	610,502
20,223,890	1,502,001	20,160,260	1,181,869
17,137,250	16,984,953	16,970,239	2,243,655
<b>\$ 161,981,481</b>	<b>\$ 19,247,709</b>	<b>\$ 161,630,018</b>	<b>\$ 5,747,312</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Tax Roll Reconciliation- Property Tax Receivable  
 June 30, 2018

Schedule V

Property taxes receivable June 30, 2017	\$ 3,904,576
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year	19,380,905
Adjustments:	
Charge off of taxes receivable	(2,732)
Change in estimate (allowance) and adjustments	<u>1,663,511</u>
Total receivables prior to collections	24,946,260
Collections for fiscal year ended June 30, 2018	<u>(19,198,948)</u>
Property taxes receivable June 30, 2018	<u><u>\$ 5,747,312</u></u>
Per Treasurer's report:	
Property taxes receivable by year:	
2008	\$ 125,509
2009	164,507
2010	183,476
2011	207,228
2012	237,984
2013	367,789
2014	424,791
2015	610,502
2016	1,181,869
2017	<u>2,243,657</u>
Total property taxes receivable	<u><u>\$ 5,747,312</u></u>

See independent auditors' report.

## **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**

County Commissioners  
Rio Arriba County  
Wayne Johnson  
New Mexico State Auditor  
U.S. Office of Management and Budget  
Tierra Amarilla, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the General Fund and major special revenue funds of the Rio Arriba County (the County), as of and for the year ended June 30, 2018, 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 26, 2018.

**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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described on the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness 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. We did identify deficiencies in internal control, described in the accompanying schedule of findings and responses, as findings 2018-001 and 2018-003, that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose 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 finding as item 2018-002.

## **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 questioned costs. 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 result 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.

A handwritten signature in blue ink that reads "Cordova CPAs LLC". The signature is written in a cursive, flowing style.

Cordova CPAs LLC  
Albuquerque, New Mexico  
November 26, 2018

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**FEDERAL FINANCIAL ASSISTANCE**

## REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITORS' REPORT

County Commissioners  
Rio Arriba County  
Wayne Johnson  
New Mexico State Auditor  
U.S. Office of Management and Budget  
Tierra Amarilla, New Mexico

#### Report on Compliance for Each Major Federal Program

We have audited Rio Arriba County's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

#### Opinion on Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Cordova CPAs LLC  
Albuquerque, New Mexico  
November 26, 2018

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018

<b>Federal Grantor or Pass-Through Grantor / Program Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	<b>Funds Provided to Subrecipients</b>	<b>Noncash Assistance</b>
<b>U.S. Department of Agriculture</b>				
<i>Passed through NM Children's Youth &amp; Families Agency</i>				
Food and Nutrition Service	10.559	\$ 109,425	\$ -	\$ -
<i>Passed through NM Department of Finance and Administration</i>				
Schools and Roads - Grants to Counties	10.666 *	738,754	-	-
Schools and Roads - Grants to Counties	10.666 *	31,255	-	-
Forest Patrol - Carson/Santa Fe	10.666 *	6,848	-	-
<i>Total U.S. Department of Agriculture</i>		<u>886,282</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Army Engineer District</b>				
Law Enforcement, Abiquiu Lake	12.1XX	10,236	-	-
<i>Total U.S. Department of Army Engineer District</i>		<u>10,236</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Housing and Urban Development</b>				
Low Rent Public Housing	14.850	234,000	-	-
Section 8 Vouchers Housing Program	14.871	100,000	-	-
Public Housing Capital Fund Program	14.872	70,000	-	-
<i>Total U.S. Department of Housing and Urban Development</i>		<u>404,000</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Interior</b>				
Taylor Grazing Act of 6-28-34	15.227	35,500	-	-
<i>Total U.S. Department of Interior</i>		<u>35,500</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Justice</b>				
SCAAP	16.606	2,895	-	-
<i>Total U.S. Department of Justice</i>		<u>2,895</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
Highway Safety Improvement Program	20.608	10,459	-	-
<i>Total U.S. Department of Transportation</i>		<u>10,459</u>	<u>-</u>	<u>-</u>

\* Denotes Major Federal Financial Assistance Program

See independent auditors' report.  
See accompanying notes to schedule of expenditures of federal awards.

<b>Federal Grantor or Pass-Through Grantor / Program Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	<b>Funds Provided to Subrecipients</b>	<b>Noncash Assistance</b>
<b>U.S. Department of Health and Human Services</b>				
<i>Passed through Non Metro Area Agency on Aging</i>				
Federal Aging Grant Title III Part B	93.044	41,241	-	-
Federal Aging Grant Title III Part C I	93.045	67,010	-	-
Federal Aging Grant Title III Part C II	93.045	45,442	-	-
Federal Commodities - Nutrition	93.053	91,528	-	91,528
<i>Passed through National Council of Aging</i>				
National Council of Aging	93.071	54,610	-	-
<i>Direct awards</i>				
Abstinence Education Grant SWAH DOH	93.235	50,229	-	-
Rural Health Network	93.912	67,657	-	-
Prescription Drug Overdose Prevention	93.136	16,942	-	-
Opioid STR	93.788	61,448	-	-
<i>Total U.S Department of Health and Human Services</i>		<u>496,107</u>	<u>-</u>	<u>91,528</u>
<i>Total Federal Financial Assistance</i>		<u>\$ 1,845,479</u>	<u>\$ -</u>	<u>\$ 91,528</u>

\* Denotes Major Federal Financial Assistance Program

See independent auditors' report.  
See accompanying notes to schedule of expenditures of federal awards.

## **Notes to Schedule of Expenditures of Federal Awards**

### **1 Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Rio Arriba County and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

### **2 Loans**

The County did not expend federal awards related to loans or loan guarantees during the year.

### **3 10% de minimus Indirect Cost Rate**

The County did not elect to use the allowed 10% indirect cost rate.

### **4 Federally Funded Insurance**

The County has no federally funded insurance.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2018

Schedule VII

**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? | Yes        |
| c. Noncompliance material to the financial statements noted?                     | None noted |

*Federal Awards:*

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | None noted |
| 2. Type of auditors' report issued on compliance for major programs   | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No         |

4. Identification of major programs:

CFDA Number	Federal Program
10.666	Schools and Roads – Grants to Counties

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2018-001 Violation of Contracts and Advance Payments (Significant Deficiency)**

*Condition:* During our audit over grant compliance, we noted that there were several invoices (6 deviations noted totaling \$22,444.47) for services performed for the Optum Health contracts, however there were delays in payments because there was either no contract in place during the time of the service or missing documentation that was required to be on file. In addition, we noted we noted instances where services were performed without an approved contract and dates did not appear to be in line with the expected flow of the service cycle of the contract.

*Criteria:* The grant agreement as well as 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. The County should have contracts in place that are reviewed and fully executed prior to any services being performed by any contractors.

*Effect:* The County did not follow its policies and procedures and violated Article IX of the Constitution of the State of New Mexico. In addition, the County risks (or risked) not receiving the services that were procured for with conducting transaction in the manner indicated above. Lastly, potentially some of the services performed were not performed with a valid contract in place which could jeopardize the funding of the contract.

*Cause:* There appears to be override of the systems and/or a lack of adherence to the process(es) that are in place for the administration of the above contract.

*Auditors' Recommendation:* The County should 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 all contracts are fully executed and in place prior to any services being performed.

*Agency's Response:* Rio Arriba Health and Human Services requested a Budget Adjustment Request from the Health Resources & Services Administration, moving budget from salary to contractual to work with an individual as an independent contractor to coordinate grant activities. We did not realize it would take Health Resources & Services Administration nearly half a year to approve the Budget Adjustment Request. However, since the grant was only a one year grant, we were still required to complete work according to the original grant timeline, so this individual began working without a contract. We then did not know how to get her paid. We now realize that federal Budget Adjustment Requests take an extremely long time to complete, so we will be careful to work with Finance and upper management make sure we have a protocol in place for proposed contracts in the event that a federal Budget Adjustment Request is required, or in the event that state contracts with us are delayed, as sometimes happens.



**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2018-003 Outdated Documented Policies (Significant Deficiency)**

*Condition:* During our audit we noted that the County's polices are outdated and there are practices in the day to day operations that may conflict with the policies and/or there are practices/procedures that are inefficient and may not be the most effective to accomplish the County's objectives.

*Criteria:* The Committee of Sponsoring Organizations (COSO) COSO Internal Control – Integrated Framework (2013), consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring, which includes the implementation of up to date policies that set forth the direction of management of the County.

*Effect:* Outdated polices can cause confusion and inconsistencies in the day to day practices and may also be inefficient and ineffective in the daily transaction cycles and significant areas of the county's operations.

*Cause:* Management and the County Commission has not updated the overall Rio Arriba County policies manual for several years.

*Auditors' Recommendations:* We recommend that the County perform a thorough analysis of the County's operations and establish new updated policies that govern the treatment of transactions and scenarios that arise on a day to day to basis.

*Agency's Response:* Rio Arriba County recognizes that part of its County Personnel Policy Handbook is outdated; however, measures of researching, revising and updating the handbook to satisfy today's legal challenges have been taken over the last year. As a result of hundreds of hours put into this task, a revised and up-to-date handbook is being vetted by the Rio Arriba County's Legal Counsel.

A fully vetted and revised draft of the new County Personnel Policy Handbook (County Manager to oversee) will be presented to the Rio Arriba County Board of County Commissioners for approval at the meeting scheduled for December 20, 2018. Upon approval the new County Personnel Policies will be implemented effective January 1, 2019.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

**SECTION III - FEDERAL AWARD FINDINGS**

None noted

**SECTION IV – SECTION 12-6-5 NMSA FINDINGS**

**2018-002 Financial Close and Journal Entry Review (Finding that does not rise to the level of a Significant Deficiency)**

*Condition:* During our audit we noted the following:

- We noted that there were adjustments necessary to record transactions within the NMFA accounts related to debt that were not accounted for.
- There is no documented review of journal entries posted within the Treasurer’s Office.

*Criteria:* The Committee of Sponsoring Organizations (COSO) COSO Internal Control – Integrated Framework (2013), consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring, which includes the implementation of internal controls with financial close functions to produce accurate and timely financial information in accordance with generally accepted accounting principles and the budgetary basis of accounting (in accordance with NM DFA Accounting and Budgeting Procedures).

*Effect:* Account balances in the accounts noted above were not adjusted as part of the monthly and/or annual financial close, and audit adjustments not identified by management were required to fairly present balances. In addition, there is a risk of errors or fraud that could go undetected without sufficient documented review of all nonstandard journal entries.

*Cause:* Management did not have a system in place to account for transactions in the NMFA accounts. Also, there is no documented sign off of entries that are proposed by the Treasurer’s office.

*Auditors’ Recommendations:* We recommend that the County perform a thorough year end analysis on all account balances prior to closing out the fiscal year to ensure all required adjustments are reflected for year-end reporting.

*Agency’s Response:* The Treasurer’s Office (County Treasurer to oversee) will now start recording all transactions in the NMFA account beginning July 1, 2018. The balances for the NMFA fund will be adjusted as per the auditors. In addition, the Treasurer’s will continue to review and initial journal entries made by the Treasurer’s Office.

**SECTION V – COMPONENT UNIT FINDINGS**

None noted

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

Schedule VII

**SECTION V. PRIOR YEAR AUDIT FINDINGS**

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

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

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

**STATE OF NEW MEXICO**

Rio Arriba County

Other Disclosures

June 30, 2018

**Exit Conference**

An exit conference was held on November 26, 2018. In attendance were the following:

**Representing the Rio Arriba County:**

Danny Garcia, County Commissioner  
Tomas Campos III, County Manager  
Christine Montano, Finance Director  
Guadalupe Mercure, Assistant Finance Director  
Livia Olguin, County Treasurer  
Tim Machado, Accountant

**Representing the Rio Arriba County Housing Authority:**

Lorrie Leyba, Director

**Representing Cordova CPAs LLC:**

Robert Cordova, CPA, Principal  
Rufino Rodriguez, CPA, Senior Manager

**Auditor Prepared Financial Statements**

Cordova CPAs LLC prepared the GAAP-basis financial statements and footnotes of Rio Arriba County from the original books and records provided to them by the management of the County. The responsibility for the financial statements remains with the County.