

Rio Arriba County  
Financial Statements  
For the Year Ended June 30, 2019



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**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Annual Financial Report  
 June 30, 2019  
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**STATE OF NEW MEXICO**

Rio Arriba County

Official Roster

June 30, 2019

**Elected Officials**

<b><u>Name</u></b>	<b><u>Title</u></b>
Danny Garcia	Commissioner - Chairman
James Martinez	Commissioner
Leo Jaramillo	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

Brian S. Colón, Esq.  
New Mexico State Auditor  
U.S. Office of Management and Budget  
County Commissioners  
Rio Arriba County  
Tierra Amarilla, New Mexico

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary 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, 2019, 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, 2019, 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 I 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 V 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 V 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 22, 2019 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, slightly slanted style.

Cordova CPAs LLC  
Albuquerque, New Mexico  
November 22, 2019

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Net Position  
June 30, 2019

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 20,773,590	\$ 347,526	\$ 21,121,116
Investments	10,899,539	59,805	10,959,344
Receivables:			
Property taxes	2,703,498	-	2,703,498
Other taxes	1,432,851	-	1,432,851
Due from other governments	1,562,658	316,110	1,878,768
Other receivables	-	3,724	3,724
Prepaid expenses	-	10,661	10,661
<i>Total current assets</i>	<u>37,372,136</u>	<u>737,826</u>	<u>38,109,962</u>
Noncurrent assets			
Restricted cash and cash equivalents	4,658,187	16,558	4,674,745
Capital assets	146,826,815	5,906,203	152,733,018
Less: accumulated depreciation	<u>(65,498,257)</u>	<u>(5,128,457)</u>	<u>(70,626,714)</u>
<i>Total noncurrent assets</i>	<u>85,986,745</u>	<u>794,304</u>	<u>86,781,049</u>
<i>Total assets</i>	<u>123,358,881</u>	<u>1,532,130</u>	<u>124,891,011</u>
<b>Deferred outflows of resources</b>			
Deferred outflows- pension	6,049,447	42,036	6,091,483
Deferred outflows- OPEB	<u>179,672</u>	<u>-</u>	<u>179,672</u>
<i>Total deferred outflows of resources</i>	<u>6,229,119</u>	<u>42,036</u>	<u>6,271,155</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 129,588,000</u>	<u>\$ 1,574,166</u>	<u>\$ 131,162,166</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	\$ 1,188,488	\$ 5,403	\$ 1,193,891
Accrued payroll	527,893	1,677	529,570
Accrued compensated absences	54,897	5,631	60,528
Accrued interest	34,100	-	34,100
Unearned revenue	-	1,142	1,142
Current portion of loans and bonds payable	346,949	-	346,949
<i>Total current liabilities</i>	<u>2,152,327</u>	<u>13,853</u>	<u>2,166,180</u>
Noncurrent liabilities			
Accrued compensated absences	613,158	3,011	616,169
Loans and bonds payable	11,074,858	-	11,074,858
Tenant deposits	-	6,630	6,630
Net pension liability	23,332,773	169,003	23,501,776
Net OPEB liability	9,358,094	-	9,358,094
<i>Total noncurrent liabilities</i>	<u>44,378,883</u>	<u>178,644</u>	<u>44,557,527</u>
<i>Total liabilities</i>	<u>46,531,210</u>	<u>192,497</u>	<u>46,723,707</u>
<b>Deferred inflows of resources</b>			
Deferred inflows- pension	1,530,947	38,285	1,569,232
Deferred inflows- OPEB	3,002,790	-	3,002,790
<i>Total deferred inflows of resources</i>	<u>4,533,737</u>	<u>38,285</u>	<u>4,572,022</u>
<b>Net position</b>			
Net investment in capital assets	72,877,315	777,746	73,655,061
Restricted for:			
Debt service	810,689	-	810,689
Capital projects	9,866,402	-	9,866,402
Special revenue projects	15,505,044	-	15,505,044
Section 8 program	-	9,928	9,928
Unrestricted	<u>(20,536,397)</u>	<u>555,710</u>	<u>(19,980,687)</u>
<i>Total net position</i>	<u>78,523,053</u>	<u>1,343,384</u>	<u>79,866,437</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 129,588,000</u>	<u>\$ 1,574,166</u>	<u>\$ 131,162,166</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, 2019

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General government	\$ 11,506,096	\$ 1,112,309	\$ 2,749,721	\$ -
Public safety	12,112,284	127,847	3,945,122	-
Public works	2,191,271	10,204	855,344	-
Culture and recreation	961,531	2,713	12,474	-
Health and welfare	4,216,066	-	2,086,560	551,963
Interest and other costs	279,725	-	-	-
<i>Total governmental activities</i>	<u>31,266,973</u>	<u>1,253,073</u>	<u>9,649,221</u>	<u>551,963</u>
<b>Business-type Activities:</b>				
Housing authority	529,591	112,184	246,816	96,847
<i>Total business-type activities</i>	<u>529,591</u>	<u>112,184</u>	<u>246,816</u>	<u>96,847</u>
<i>Total</i>	<u>\$ 31,796,564</u>	<u>\$ 1,365,257</u>	<u>\$ 9,896,037</u>	<u>\$ 648,810</u>

**General Revenues and transfers:**

Taxes:

- Property taxes
- Gross receipts taxes
- Oil and gas, franchise and motor vehicle
- Lodger's taxes

Investment income

Miscellaneous revenue

Loss on sale of capital assets

Transfers in from custodial funds

Total general revenues and transfers

Change in net position

Net position, beginning

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>
\$ (7,644,066)	\$ -	\$ (7,644,066)
(8,039,315)	-	(8,039,315)
(1,325,723)	-	(1,325,723)
(946,344)	-	(946,344)
(1,577,543)	-	(1,577,543)
(279,725)	-	(279,725)
<u>(19,812,716)</u>	<u>-</u>	<u>(19,812,716)</u>
-	(73,744)	(73,744)
-	(73,744)	(73,744)
<u>(19,812,716)</u>	<u>(73,744)</u>	<u>(19,886,460)</u>
7,701,287	-	7,701,287
6,510,783	-	6,510,783
5,478,933	-	5,478,933
82,744	-	82,744
205,268	1,363	206,631
575,032	83,207	658,239
(13,794)	-	(13,794)
24,877	-	24,877
<u>20,565,130</u>	<u>84,570</u>	<u>20,649,700</u>
752,414	10,826	763,240
<u>77,770,639</u>	<u>1,332,558</u>	<u>79,103,197</u>
<u>\$ 78,523,053</u>	<u>\$ 1,343,384</u>	<u>\$ 79,866,437</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, 2019

	<b>General Fund</b>	<b>Indigent Fund</b>	<b>Correctional Facility</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 8,039,914	\$ 1,380,057	\$ 1,188,761
Investments	-	2,700,000	-
Receivables:			
Property taxes	2,703,498	-	-
Other taxes	785,492	103,959	82,172
Due from other governments	37,786	-	26,520
	<u>\$ 11,566,690</u>	<u>\$ 4,184,016</u>	<u>\$ 1,297,453</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<i>Liabilities</i>			
Accounts payable	\$ 70,266	\$ 19,995	\$ 189,295
Accrued payroll expenses	316,281	-	62,098
<i>Total liabilities</i>	<u>386,547</u>	<u>19,995</u>	<u>251,393</u>
<i>Deferred inflows of resources</i>			
Unavailable revenue - property taxes	2,486,128	-	-
Unavailable revenue - loan proceeds	-	-	-
<i>Total deferred inflows of resources</i>	<u>2,486,128</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
<i>Spendable:</i>			
<i>Restricted for:</i>			
General county operations	-	-	-
Public safety	-	-	1,046,060
Culture and recreation	-	-	-
Health and welfare	-	4,164,021	-
Transportation and roads	-	-	-
County property valuation	-	-	-
Capital improvements	-	-	-
Debt service	-	-	-
<i>Committed to:</i>			
Minimum fund balance	2,569,408	-	-
<i>Assigned to:</i>			
Economic development	-	-	-
Capital projects	-	-	-
Unassigned	6,124,608	-	-
	<u>8,694,015</u>	<u>4,164,021</u>	<u>1,046,060</u>
<i>Total fund balances</i>	<u>8,694,015</u>	<u>4,164,021</u>	<u>1,046,060</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 11,566,690</u>	<u>\$ 4,184,016</u>	<u>\$ 1,297,453</u>

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



<u>Landfill Closure</u>	<u>County Funded Capital Projects</u>	<u>Energy Savings Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 142,489	\$ 1,833,364	\$ 3,813,398	\$ 9,033,794	\$ 25,431,777
-	3,977,535	-	4,222,004	10,899,539
-	-	-	-	2,703,498
-	107,415	-	353,813	1,432,851
548,205	-	-	950,147	1,562,658
<u>\$ 690,694</u>	<u>\$ 5,918,314</u>	<u>\$ 3,813,398</u>	<u>\$ 14,559,758</u>	<u>\$ 42,030,323</u>
\$ -	\$ 8,455	\$ 842,834	\$ 57,643	\$ 1,188,488
-	-	-	149,514	527,893
-	8,455	842,834	207,157	1,716,381
-	-	-	-	2,486,128
548,205	-	-	-	548,205
548,205	-	-	-	3,034,333
142,489	-	2,970,564	938,817	4,051,870
-	-	-	7,762,200	8,808,260
-	-	-	68,044	68,044
-	-	-	543,707	4,707,728
-	5,909,859	-	3,186,763	9,096,622
-	-	-	88	88
-	-	-	192,866	192,866
-	-	-	844,789	844,789
-	-	-	-	2,569,408
-	-	-	32,480	32,480
-	-	-	793,113	793,113
-	-	-	(10,266)	6,114,342
<u>142,489</u>	<u>5,909,859</u>	<u>2,970,564</u>	<u>14,352,601</u>	<u>37,279,609</u>
<u>\$ 690,694</u>	<u>\$ 5,918,314</u>	<u>\$ 3,813,398</u>	<u>\$ 14,559,758</u>	<u>\$ 42,030,323</u>

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

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Reconciliation of the Balance Sheet to the Statement of Net Position  
 Governmental Funds  
 June 30, 2019

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

Fund balances - total governmental funds	\$	37,279,609
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		81,328,558
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		2,486,128
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		548,205
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		6,049,447
Deferred outflows- OPEB		179,672
Deferred inflows- pension		(1,530,947)
Deferred inflows- OPEB		(3,002,790)
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		(668,055)
Accrued interest		(34,100)
Loans and bonds payable		(11,421,807)
Net pension liability		(23,332,773)
Net OPEB liability		(9,358,094)
		(34,813,829)
<i>Net position of governmental activities</i>	<b>\$</b>	<b>78,523,053</b>

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

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**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Indigent Fund</u>	<u>Correctional Facility</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 6,387,053	\$ -	\$ -
Gross receipts taxes	3,011,396	529,191	484,903
Gasoline, franchise, and motor vehicle	4,565,473	395,073	-
Lodgers tax	-	-	-
Intergovernmental:			
PILT and Federal operating grants	2,427,525	-	-
State operating grants	530,497	-	141,225
State capital grants	-	-	-
Charges for services	150,418	-	-
Licenses and fees	836,816	-	-
Investment income	25,610	-	-
Miscellaneous	142,475	-	899
<i>Total revenues</i>	<u>18,077,263</u>	<u>924,264</u>	<u>627,027</u>
<i>Expenditures</i>			
Current:			
General government	8,316,175	-	-
Public safety	2,341,725	-	4,231,058
Public works	200,136	-	-
Culture and recreation	270,022	-	-
Health and welfare	333,736	401,952	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Loan issuance costs	-	-	-
<i>Total expenditures</i>	<u>11,461,794</u>	<u>401,952</u>	<u>4,231,058</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,615,469</u>	<u>522,312</u>	<u>(3,604,031)</u>
<i>Other financing sources (uses)</i>			
Loan proceeds	-	-	-
Proceeds from sale of capital assets	20,074	-	-
Transfers in	1,023,957	-	4,242,520
Transfers (out)	(6,110,383)	-	-
<i>Total other financing sources (uses)</i>	<u>(5,066,352)</u>	<u>-</u>	<u>4,242,520</u>
<i>Net change in fund balance</i>	1,549,117	522,312	638,489
<i>Fund balance - beginning of year</i>	<u>7,144,898</u>	<u>3,641,709</u>	<u>407,571</u>
<i>Fund balance - end of year</i>	<u>\$ 8,694,015</u>	<u>\$ 4,164,021</u>	<u>\$ 1,046,060</u>

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

<u>Landfill Closure</u>	<u>County Funded Capital Projects</u>	<u>Energy Savings Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 189,829	\$ 6,576,882
-	606,453	-	1,878,840	6,510,783
-	-	-	518,387	5,478,933
-	-	-	82,744	82,744
-	-	-	1,534,149	3,961,674
-	-	-	5,068,825	5,740,547
-	-	-	551,963	551,963
-	-	-	255,635	406,053
-	-	-	10,204	847,020
-	158,877	13,378	7,403	205,268
-	45,766	-	385,892	575,032
-	<u>811,096</u>	<u>13,378</u>	<u>10,483,871</u>	<u>30,936,899</u>
-	435,387	913,753	687,669	10,352,984
-	-	-	3,722,843	10,295,626
-	-	-	1,185,186	1,385,322
-	-	-	104,122	374,144
-	-	-	2,898,568	3,634,256
-	364,431	-	1,112,429	1,476,860
-	-	-	337,824	337,824
-	-	-	228,989	228,989
-	-	33,635	-	33,635
-	<u>799,818</u>	<u>947,388</u>	<u>10,277,630</u>	<u>28,119,640</u>
-	<u>11,278</u>	<u>(934,010)</u>	<u>206,241</u>	<u>2,817,259</u>
-	-	4,484,620	-	4,484,620
-	-	-	2,691	22,765
-	150,000	-	2,476,755	7,893,232
-	(24,602)	(580,046)	(1,153,324)	(7,868,355)
-	<u>125,398</u>	<u>3,904,574</u>	<u>1,326,122</u>	<u>4,532,262</u>
-	136,676	2,970,564	1,532,363	7,349,521
<u>142,489</u>	<u>5,773,183</u>	<u>-</u>	<u>12,820,238</u>	<u>29,930,088</u>
<u>\$ 142,489</u>	<u>\$ 5,909,859</u>	<u>\$ 2,970,564</u>	<u>\$ 14,352,601</u>	<u>\$ 37,279,609</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, 2019

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	\$ 7,349,521
--	--------------

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	1,476,860
Depreciation expense	(3,952,288)
Book value of assets sold	(36,559)

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	1,124,405
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	1,121,318
County OPEB contributions subsequent to measurement date	179,672
Net pension expense	(2,386,908)
Net OPEB expense	136,642

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

Increase in accrued interest	(17,101)
------------------------------	----------

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	(43,352)
Bond proceeds	(4,484,620)
Principal payments on loans and bonds	337,824

<i>Change in net position of governmental activities</i>	<u><u>\$ 752,414</u></u>
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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, 2019

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 6,177,984	\$ 6,177,984	\$ 6,528,040	\$ 350,056
Gross receipts	2,675,065	2,675,065	3,008,151	333,086
Gasoline, franchise and motor vehicle	3,559,509	3,559,509	4,751,958	1,192,449
Intergovernmental:				
Federal operating grants	2,800,000	2,800,000	2,427,525	(372,475)
State operating grants	265,000	265,000	529,476	264,476
Charges for services	292,500	292,500	150,418	(142,082)
Licenses and fees	656,534	656,534	853,282	196,748
Investment income	5,000	5,000	25,610	20,610
Miscellaneous	80,000	80,000	118,275	38,275
<i>Total revenues</i>	<u>16,511,592</u>	<u>16,511,592</u>	<u>18,392,735</u>	<u>1,881,143</u>
<i>Expenditures</i>				
Current:				
General government	9,766,736	9,613,966	8,255,865	1,358,101
Public safety	2,320,130	2,428,795	2,362,637	66,158
Public works	195,123	201,817	199,285	2,532
Culture and recreation	811,064	811,064	271,500	539,564
Health and welfare	373,622	373,622	335,389	38,233
<i>Total expenditures</i>	<u>13,466,675</u>	<u>13,429,264</u>	<u>11,424,676</u>	<u>2,004,588</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,044,917</u>	<u>3,082,328</u>	<u>6,968,059</u>	<u>3,885,731</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	1,987,276	1,262,820	-	(1,262,820)
Proceeds from sale of capital assets	-	-	20,074	20,074
Transfers in	-	-	1,023,957	1,023,957
Transfers (out)	(5,032,193)	(4,345,148)	(6,110,383)	(1,765,235)
<i>Total other financing sources (uses)</i>	<u>(3,044,917)</u>	<u>(3,082,328)</u>	<u>(5,066,352)</u>	<u>(1,984,024)</u>
<i>Net change in fund balance</i>	-	-	1,901,707	1,901,707
<i>Fund balance - beginning of year</i>	-	-	6,138,207	6,138,207
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,039,914</u>	<u>\$ 8,039,914</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 1,901,707	
Adjustments to revenues for gross receipt taxes, other taxes and grants			(315,472)	
Adjustments to expenditures for salaries and operating expenses			(37,118)	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 1,549,117</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, 2019

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ 495,000	\$ 495,000	\$ 527,613	\$ 32,613
Gasoline, franchise and motor vehicle	-	-	407,049	407,049
<i>Total revenues</i>	<u>495,000</u>	<u>495,000</u>	<u>934,662</u>	<u>439,662</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,327,517	1,327,517	387,122	940,395
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>1,327,517</u>	<u>1,327,517</u>	<u>387,122</u>	<u>940,395</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(832,517)</u>	<u>(832,517)</u>	<u>547,540</u>	<u>1,380,057</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	<u>832,517</u>	<u>832,517</u>	-	<u>(832,517)</u>
<i>Total other financing sources (uses)</i>	<u>832,517</u>	<u>832,517</u>	-	<u>(832,517)</u>
<i>Net change in fund balance</i>	-	-	547,540	547,540
<i>Fund balance - beginning of year</i>	-	-	3,532,517	3,532,517
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,080,057</u>	<u>\$ 4,080,057</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 547,540	
Adjustments to revenues for gross receipts and oil and gas taxes			(10,398)	
Adjustments to expenditures for salaries and operating expenses			<u>(14,830)</u>	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 522,312</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<i>Revenues</i>				
<i>Taxes:</i>				
Gross receipts	\$ 430,000	\$ 430,000	\$ 484,732	\$ 54,732
<i>Intergovernmental:</i>				
State operating grants	-	-	142,185	142,185
<i>Total revenues</i>	<u>430,000</u>	<u>430,000</u>	<u>627,816</u>	<u>197,816</u>
<i>Expenditures</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	4,672,520	4,672,520	4,154,338	518,182
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>4,672,520</u>	<u>4,672,520</u>	<u>4,154,338</u>	<u>518,182</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,242,520)</u>	<u>(4,242,520)</u>	<u>(3,526,522)</u>	<u>715,998</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	4,242,520	4,242,520	4,242,520	-
<i>Total other financing sources (uses)</i>	<u>4,242,520</u>	<u>4,242,520</u>	<u>4,242,520</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	715,998	715,998
<i>Fund balance - beginning of year</i>	-	-	472,763	472,763
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,188,761</u>	<u>\$ 1,188,761</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 715,998	
Adjustments to revenues for gross receipts taxes			(789)	
Adjustments to expenditures for salaries and operating expenses			<u>(76,720)</u>	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 638,489</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  
Proprietary Funds  
June 30, 2019

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Vouchers Program</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash	\$ 338,408	\$ 9,118	\$ 347,526
Investments	59,805	-	59,805
Accounts receivable - tenants, net	3,472	-	3,472
Accounts receivable - grants	148,783	-	148,783
Accrued interest receivable	252	-	252
Due from other funds	-	13	13
Prepaid expenses	9,578	1,083	10,661
<i>Total current assets</i>	<u>560,298</u>	<u>10,214</u>	<u>570,512</u>
Noncurrent assets			
Restricted cash	6,630	9,928	16,558
Accounts receivable - grants	167,327	-	167,327
Capital assets	5,906,203	-	5,906,203
Less: accumulated depreciation	<u>(5,128,457)</u>	<u>-</u>	<u>(5,128,457)</u>
<i>Total noncurrent assets</i>	<u>951,703</u>	<u>9,928</u>	<u>961,631</u>
<i>Total assets</i>	<u>1,512,001</u>	<u>20,142</u>	<u>1,532,143</u>
<b>Deferred outflows of resources</b>			
Deferred outflows - PERA	<u>41,447</u>	<u>589</u>	<u>42,036</u>
<i>Total deferred outflows of resources</i>	<u>41,447</u>	<u>589</u>	<u>42,036</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 1,553,448</u>	<u>\$ 20,731</u>	<u>\$ 1,574,179</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	\$ 5,230	\$ 173	\$ 5,403
Accrued payroll	1,677	-	1,677
Unearned revenue	1,142	-	1,142
Compensated absences	5,631	-	5,631
Due to other funds	13	-	13
<i>Total current liabilities</i>	<u>13,693</u>	<u>173</u>	<u>13,866</u>
<i>Current liabilities (payable from restricted assets)</i>			
Tenant deposits	<u>6,630</u>	-	<u>6,630</u>
<i>Total current liabilities (payable from restricted assets)</i>	<u>6,630</u>	-	<u>6,630</u>
Noncurrent liabilities			
Compensated absences	3,011	-	3,011
Net pension liability - PERA	<u>166,637</u>	<u>2,366</u>	<u>169,003</u>
<i>Total noncurrent liabilities</i>	<u>169,648</u>	<u>2,366</u>	<u>172,014</u>
<i>Total liabilities</i>	<u>189,971</u>	<u>2,539</u>	<u>192,510</u>
<b>Deferred inflows of resources</b>			
Deferred inflows - PERA	<u>37,749</u>	<u>536</u>	<u>38,285</u>
<i>Total deferred inflows of resources</i>	<u>37,749</u>	<u>536</u>	<u>38,285</u>
<b>Net position</b>			
Net investment in capital assets	777,746	-	777,746
Restricted for section 8 program	-	9,928	9,928
Unrestricted	<u>547,982</u>	<u>7,728</u>	<u>555,710</u>
<i>Total net position</i>	<u>1,325,728</u>	<u>17,656</u>	<u>1,343,384</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 1,553,448</u>	<u>\$ 20,731</u>	<u>\$ 1,574,179</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  
Proprietary Funds  
For The Year Ended June 30, 2019

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	\$ 112,184	\$ -	\$ 112,184
Operating grants	182,963	63,853	246,816
Other tenant revenue	127	-	127
<i>Total operating revenues</i>	<u>295,274</u>	<u>63,853</u>	<u>359,127</u>
<i>Operating expenses</i>			
Personnel services	163,282	505	163,787
Contractual services	18,447	-	18,447
Accounting fees	14,634	3,411	18,045
General and administrative			
Supplies	9,429	1,656	11,085
Insurance	18,882	-	18,882
Bad debt	9,489	-	9,489
Maintenance and materials	15,738	-	15,738
Utilities	40,243	-	40,243
Depreciation	164,779	-	164,779
Housing assistance payments	-	67,863	67,863
Miscellaneous	1,233	-	1,233
<i>Total operating expenses</i>	<u>456,156</u>	<u>73,435</u>	<u>529,591</u>
<i>Operating loss</i>	(160,882)	(9,582)	(170,464)
<i>Nonoperating revenues</i>			
Interest income	1,289	74	1,363
Management fee income	81,529	-	81,529
Miscellaneous income	1,551	-	1,551
<i>Total non-operating revenues</i>	<u>84,369</u>	<u>74</u>	<u>84,443</u>
<i>Net income before capital contributions</i>	(76,513)	(9,508)	(86,021)
<i>Capital contributions</i>			
Federal capital grants	96,847	-	96,847
<i>Total capital contributions</i>	<u>96,847</u>	<u>-</u>	<u>96,847</u>
Transfers in	-	4,754	4,754
Transfers (out)	(4,754)	-	(4,754)
<i>Change in net position</i>	15,580	(4,754)	10,826
<i>Net position - beginning of year</i>	<u>1,310,148</u>	<u>22,410</u>	<u>1,332,558</u>
<i>Net position - end of year</i>	<u>\$ 1,325,728</u>	<u>\$ 17,656</u>	<u>\$ 1,343,384</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  
Proprietary Funds  
For The Year Ended June 30, 2019

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	\$ 127,085	\$ -	\$ 127,085
Cash received from operating grants	182,963	63,853	246,816
Cash payments to employees for services	(157,228)	(5,350)	(162,578)
Cash payments to suppliers for goods and services	(135,244)	(72,940)	(208,184)
<i>Net cash provided (used) by operating activities</i>	<u>17,576</u>	<u>(14,437)</u>	<u>3,139</u>
<i>Cash flows from noncapital financing activities:</i>			
Cash received from management fee income	81,529	-	81,529
Transfers	(4,754)	4,754	-
<i>Net cash provided by noncapital financing activities</i>	<u>76,775</u>	<u>4,754</u>	<u>81,529</u>
<i>Cash flows from capital and related financing activities:</i>			
Cash received from capital grants	96,847	-	96,847
Acquisition of capital assets	(97,628)	-	(97,628)
<i>Net cash used by capital and related financing activities</i>	<u>(781)</u>	<u>-</u>	<u>(781)</u>
<i>Cash flows from investing activities:</i>			
Reinvested CD interest	(156)	-	(156)
Proceeds from sale of assets	1,551	-	1,551
Interest received on investments	1,289	74	1,363
<i>Net cash provided by investing activities</i>	<u>2,684</u>	<u>74</u>	<u>2,758</u>
Net increase (decrease) in cash	96,254	(9,609)	86,645
Cash beginning of year	248,784	28,655	277,439
Cash end of year	<u>\$ 345,038</u>	<u>\$ 19,046</u>	<u>\$ 364,084</u>
<i>Reconciliation of operating loss to net cash provided (used) by operating activities:</i>			
Operating loss	\$ (160,882)	\$ (9,582)	\$ (170,464)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	164,779	-	164,779
Bad debt	9,489	-	9,489
Net pension expense	8,325	(4,803)	3,522
Changes in assets and liabilities:			
Accounts receivable and due from others	14,575	-	14,575
Prepaid expenses	(240)	(10)	(250)
Accounts payable and due to others	(16,398)	-	(16,398)
Accrued liabilities	(2,875)	-	(2,875)
Unearned revenue	199	-	199
Compensated absences	604	(42)	562
<i>Net cash provided (used) by operating activities</i>	<u>\$ 17,576</u>	<u>\$ (14,437)</u>	<u>\$ 3,139</u>

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Statement of Fiduciary Net Position  
June 30, 2019

Exhibit E-1

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash	\$ 521,705
Property tax receivable	4,566,739
Other taxes receivable	<u>199,182</u>
<i>Total assets</i>	<u><u>\$ 5,287,626</u></u>
<b>Liabilities</b>	
Funds held in trust and due to others	<u>\$ 5,287,626</u>
<i>Total liabilities</i>	<u><u>\$ 5,287,626</u></u>

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

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Statement of Changes in Fiduciary Net Position  
 June 30, 2019

Exhibit E-2

	<b>Custodial Funds</b>
<i>Additions:</i>	
Property and gross receipts taxes	\$ 19,451,236
Contributions and other collections from private sources	1,655,613
	21,106,849
 <i>Total additions</i>	
 <i>Deductions:</i>	
Distributions to other governments	18,895,442
Other expenses	1,780,737
Transfers out to governmental activities	24,877
	20,701,056
 <i>Total deductions</i>	
 Change in custodial funds due to others	 405,793
 Beginning - custodial funds due to others	 4,881,833
	\$ 5,287,626

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

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2019

**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, 2019, the County adopted GASB Statements No. 83, *Certain Asset Retirement Obligations*, No. 84, *Fiduciary Activities*, No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* as required by GAAP. None of these pronouncements have a significant impact on these financial statements.

Rio Arriba County was not required to present a disclosure in accordance with GASB Statement No. 77 for the year ended June 30, 2019.

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, 2019

**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, 2019

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

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

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, 2019

**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  
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June 30, 2019

**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)

The *Energy Savings Project Special Revenue Fund* accounts for loan proceeds used for purposes of financing the costs of purchasing and installing new energy savings equipment, lighting and other improvements within the County. (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 custodial 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, 2019, the County maintained a balance of \$5,494,012 in the Local Government Investment Pool.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Notes to Financial Statements  
June 30, 2019

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

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

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

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

**Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2019, 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 \$2,486,128 related to property taxes and \$548,205 for a loan that are considered "unavailable". The County 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, 2019

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

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

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 sources.

**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 balances at June 30, 2019.

**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 \$27,770,267 in restricted fund balances at June 30, 2019.

**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 \$2,569,408 in committed funds at June 30, 2019.

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

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

The County has \$825,593 in assigned fund balances at June 30, 2019.

**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 \$6,114,342 in unassigned fund balances at June 30, 2019.

**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, 2019, the County maintains \$2,569,408 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 35-36 and 94-99. For the primary government, the government-wide statement of net position reports \$26,182,135 of restricted amounts. The special revenue funds have \$15,505,044 which is restricted by enabling legislation, \$810,689 is restricted for debt service requirements, \$9,866,402 for capital projects and \$9,928 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, 2019

**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	\$ 3,044,917	\$ 3,082,328
Indigent Fund	\$ (832,517)	\$ (832,517)
Correctional Facilities Fund	\$ (4,242,520)	\$ (4,242,520)

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, 2019 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  
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**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, 2019, \$24,440,541 of the County's bank balances totaling \$28,062,517 was exposed to custodial credit risk. Although the \$24,440,541 was uninsured, \$19,277,693 of it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. \$5,162,848 of the County's deposits were uninsured and uncollateralized as of June 30, 2019.

**STATE OF NEW MEXICO**  
Rio Arriba County  
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June 30, 2019

**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	\$ 24,001,229	\$ 1,073,185	\$ 300,666	\$ 815,461
FDIC Coverage	(500,000)	(500,000)	(250,000)	(500,000)
Total uninsured public funds	<u>23,501,229</u>	<u>573,185</u>	<u>50,666</u>	<u>315,461</u>
Collateralized by securities held by pledging institution or by its trust department or agent in other than the County's name	18,389,047	573,185	-	315,461
Uninsured and uncollateralized	<u>\$ 5,112,182</u>	<u>\$ -</u>	<u>\$ 50,666</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ 11,750,615	\$ 286,593	\$ 25,333	\$ 157,731
Pledged Collateral	18,389,047	852,920	-	592,307
Over (Under) collateralized	<u>\$ 6,638,432</u>	<u>\$ 566,327</u>	<u>\$ (25,333)</u>	<u>\$ 434,576</u>

	<b>Wells Fargo</b>	<b>Southwest Capital</b>	<b>Total</b>
Amount of deposits	\$ 110,371	\$ 1,761,605	\$ 28,062,517
FDIC Coverage	(110,371)	(1,761,605)	(3,621,976)
Total uninsured public funds	<u>-</u>	<u>-</u>	<u>24,440,541</u>
Collateralized by securities held by pledging institution or by its trust department or agent in other than the County's name	-	-	19,277,693
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,162,848</u>
Collateral requirement (50% of uninsured funds)	\$ -	\$ -	\$ 12,220,272
Pledged Collateral	-	-	19,834,274
Over (Under) collateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,614,002</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, 2019, there were \$5,405,528 of certificates of deposit, classified as investments at Exhibit B-1.

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

Reconciliation to the Statement of Net Position:

Cash and cash equivalents per Exhibit A-1	\$	20,773,590
Investments per Exhibit A-1		10,899,539
Restricted cash and cash equivalents per Exhibit A-1		4,658,187
Cash - Statement of Fiduciary Net Position per Exhibit E-1		521,705
 Total cash, investments, and cash equivalents		36,853,021
 Add: outstanding checks and other reconciling items		1,361,695
Less: NMFA restricted accounts		(4,658,187)
Less: State of New Mexico LGIP		(5,494,012)
 Bank balance of deposits	\$	28,062,517

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, 2019. 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, 2019, the County had the following investments and maturities:

Investment Type	Weighted Average Maturities	Fair Value	Rating
LGIP	35 Days(R) 112 days(F)	\$ 5,494,012	AAAm
U.S. Treasury Notes	<1 year	4,658,187	Aaa
Total		\$ 10,152,199	

\*Rating based on Moody’s rating

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

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**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 Custodial 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.

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**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 \$5,494,012 in LGIP and \$4,658,187 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, 2019:

<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
\$ 10,152,199	\$ 4,658,187	\$ 5,494,012	\$ -

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**NOTE 4. Receivables**

Receivables as of June 30, 2019 for the primary government are as follows:

	<u>General</u>	<u>Indigent</u>	<u>Correctional Facility</u>	<u>Landfill Closure</u>
Property taxes	\$ 2,703,498	\$ -	\$ -	\$ -
Taxes receivable:				
Gross receipts taxes	333,547	92,425	82,172	-
Lodgers taxes	-	-	-	-
Oil and gas taxes	417,840	11,534	-	-
MVD taxes	34,105	-	-	-
Total taxes receivable	<u>785,492</u>	<u>103,959</u>	<u>82,172</u>	<u>-</u>
Due from other governments:				
State grants and other charges	37,786	-	26,520	-
Federal grants	-	-	-	-
NCSWA Loan	-	-	-	548,205
Total due from other governments	<u>37,786</u>	<u>-</u>	<u>26,520</u>	<u>548,205</u>
Accounts receivable, net	<u>\$ 3,526,776</u>	<u>\$ 103,959</u>	<u>\$ 108,692</u>	<u>\$ 548,205</u>
	<b>County Funded Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total</b>	
Property taxes	\$ -	\$ -	\$ 2,703,498	
Taxes receivable:				
Gross receipts taxes	107,415	278,457	894,016	
Lodgers taxes	-	7,465	7,465	
Oil and gas taxes	-	-	429,374	
MVD taxes	-	67,891	101,996	
Total taxes receivable	<u>107,415</u>	<u>353,813</u>	<u>1,432,851</u>	
Due from other governments:				
State grants and other charges	-	670,072	734,378	
Federal grants	-	280,075	280,075	
NCSWA Loan	-	-	548,205	
Total due from other governments	<u>-</u>	<u>950,147</u>	<u>1,562,658</u>	
Accounts receivable, net	<u>\$ 107,415</u>	<u>\$ 1,303,960</u>	<u>\$ 5,699,007</u>	

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$2,486,128 that were not collected within the period of availability have been reclassified as deferred inflow in the governmental fund financial statements.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Notes to Financial Statements  
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**NOTE 4. Receivables (continued)**

The loan receivable of \$548,205 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, 2019:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Correctional Facility	\$ 4,242,520
General Fund	Environmental	26,145
General Fund	Farm & Range Improvement	33,023
General Fund	Senior Citizen	830,650
General Fund	Sheriffs Grants and DWI Programs	233,613
General Fund	Behavioral Health and Other Programs	426,168
General Fund	Senior Appropriations Capital Projects	168,264
General Fund	County Funded Capital Projects	150,000
Sheriffs Grants and DWI Programs	General Fund	111,691
New Mexico State Library	General Fund	9,306
Behavioral Health and Other Programs	General Fund	353,338
County Funded Capital Projects	General Fund	167
Fire Department Funds	General Fund	126,934
Senior Appropriations Capital Projects	General Fund	422,521
County Funded Capital Projects	Senior Appropriations Capital Projects	24,602
Energy Savings Project	Debt Service Reserve Accounts	580,207
Other nonmajor governmental funds	Other nonmajor governmental funds	129,206
Inmate Custodial Fund	Fire District Fund	24,877
	Total	<u>\$ 7,893,232</u>



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**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2019. Land, construction in progress, works of art, book collections, and water rights are not being depreciated.

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u> <u>and</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2019</u>
Capital assets not being depreciated:				
Land	\$ 14,302,049	\$ 8,994	\$ -	\$ 14,311,043
Construction in progress	29,526	210,989	(15,218)	225,297
Works of art	180,000	-	-	180,000
Book collections	10,000	-	-	10,000
Water Rights	<u>290,674</u>	<u>-</u>	<u>-</u>	<u>290,674</u>
Total not being depreciated	<u>14,812,249</u>	<u>219,983</u>	<u>(15,218)</u>	<u>15,017,014</u>
Capital assets being depreciated:				
Buildings and improvements	79,403,797	61,574	15,218	79,480,589
Land improvements	6,932,252	268,464	-	7,200,716
Infrastructure	16,560,795	182,320	-	16,743,115
Machinery and equipment	<u>27,821,011</u>	<u>744,519</u>	<u>(180,149)</u>	<u>28,385,381</u>
Total being depreciated	<u>130,717,855</u>	<u>1,256,877</u>	<u>(164,931)</u>	<u>131,809,801</u>
 Total capital assets	 <u>145,530,104</u>	 <u>1,476,860</u>	 <u>(180,149)</u>	 <u>146,826,815</u>
Accumulated depreciation:				
Buildings and improvements	28,266,649	1,899,923	-	30,166,572
Land improvements	2,348,163	310,751	-	2,658,914
Infrastructure	9,822,563	450,876	-	10,273,439
Machinery and equipment	<u>21,252,184</u>	<u>1,290,738</u>	<u>(143,590)</u>	<u>22,399,332</u>
Total accumulated depreciation	<u>61,689,559</u>	<u>3,952,288</u>	<u>(143,590)</u>	<u>65,498,257</u>
 Capital assets, net	 <u>\$ 83,840,545</u>	 <u>\$ (2,475,428)</u>	 <u>\$ (36,559)</u>	 <u>\$ 81,328,558</u>

Depreciation expense for the year ended June 30, 2019 was charged to the following functions for governmental activities:

Governmental activities:	
General government	\$ 842,019
Public Safety	1,204,523
Culture and Recreation	563,557
Public Works	790,313
Health and Welfare	<u>551,876</u>
	<u>\$ 3,952,288</u>

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**NOTE 7. Long-term Debt**

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<b>Balance</b> <b>June 30, 2018</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance</b> <b>June 30, 2019</b>	<b>Due Within</b> <b>One Year</b>
Bonds	\$ 4,029,725	\$ -	\$ 213,265	\$ 3,816,460	\$ 220,122
NMFA Loans	3,245,286	4,484,620	124,559	7,605,347	126,827
Compensated Absences	624,703	505,198	461,846	668,055	54,897
<b>Total</b>	<b>\$ 7,899,714</b>	<b>\$ 4,989,818</b>	<b>\$ 799,670</b>	<b>\$ 12,089,862</b>	<b>\$ 401,846</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</b> <b>Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt</b> <b>Service</b>
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	249,829	90,297	340,126
2025-2029	1,374,933	325,696	1,700,629
2030-2033	1,267,826	92,678	1,360,504
<b>Total</b>	<b>\$ 3,816,460</b>	<b>\$ 945,300</b>	<b>\$ 4,761,761</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.

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

On May 10, 2019 the County entered into a loan agreement with NMFA in the amount of \$4,484,620 for purposes of financing the costs of purchasing and installing new solar energy systems, heating, ventilation and air conditioning equipment and controls, LED lighting, water meters, a pool heat recover unit, pool condensing boiler, and related energy savings improvements in various facilities owned by the County. The County pledged its equalization distribution pursuant to Section 7-1-6.16 NMSA, 1978 and has a debt service coverage ratio of 150%. The blended interest rate is 2.53% over the life of the loan and no collateralized assets have been pledged as part of this agreement.

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

**New Mexico Finance Authority Loans:**

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2020	\$ 126,827	\$ 207,358	\$ 334,185
2021	193,593	207,624	401,217
2022	204,669	204,251	408,920
2023	216,618	200,353	416,971
2024	229,494	195,888	425,382
2025-2029	1,362,437	891,543	2,253,980
2030-2034	1,800,031	676,996	2,477,027
2035-2039	2,493,437	326,202	2,819,639
2040-2042	978,241	8,560	986,801
<b>Total</b>	<b>\$ 7,605,347</b>	<b>\$ 2,918,775</b>	<b>\$ 10,524,122</b>

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, 2019, compensated absences increased by \$43,352. Compensated absences are paid by the fund that they are accrued in, which is typically the General Fund.

**NOTE 8. Risk Management**

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

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

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**NOTE 9. Subsequent Events**

The date to which events occurring after June 30, 2019, have been evaluated for possible adjustment to the financial statements or disclosures is November 22, 2019, which is the date on which the financial statements were issued. No events took place subsequent to year end.

**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.

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**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 in effect during FY18</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	
<b>STATE PLAN</b>						
State Plan 3	7.42%	8.92%	16.99%	3.0%	2.5%	90%
<b>MUNICIPAL PLANS 1 - 4</b>						
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%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
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%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.9%	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%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	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%

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**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, 2019, the County reported a liability of \$20,112,979 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018.

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, 2018, the County’s proportion was 1.2615, which was an increase of 0.0225 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$2,057,229. At June 30, 2019, 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	\$ 1,823,526	\$ 115,642
Changes in proportion	207,493	501,044
Difference between expected and actual experience	581,306	528,060
Net difference between projected and actual earnings on pension plan investments	1,491,680	-
County's contributions subsequent to the measurement date	789,864	-
Total	\$ 4,893,869	\$ 1,144,746

\$789,864 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

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

<b>Year ended June 30:</b>	
2019	\$ 1,922,698
2020	695,862
2021	265,168
2022	75,531
Thereafter	-
<b>Total</b>	<u><u>\$ 2,959,259</u></u>

**PERA Fund Division Municipal Police:** At June 30, 2019, the County reported a liability of \$3,219,794 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018.

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, 2018, the County’s proportion was 0.4719, which was a decrease of 0.0067 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$329,679. At June 30, 2019, 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	\$ 367,383	\$ 19,684
Changes in proportion	77,547	47,352
Difference between expected and actual experience	157,626	319,165
Net difference between projected and actual earnings on pension plan investments	221,568	-
County's contributions subsequent to the measurement date	<u>331,454</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 1,155,578</u></u>	<u><u>\$ 386,201</u></u>

\$331,454 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

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

**Year ended June 30:**

2019	\$ 276,006
2020	84,697
2021	65,731
2022	11,489
Thereafter	-
<b>Total</b>	<b>\$ 437,923</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, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	
Actuarial Assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75% all other years
Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward oneyear. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 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:



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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	43.50%	7.48%
Risk Reduction & Mitigation	21.50%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to include Real Estate Equity	<u>20.00%</u>	6.48%
Total	100.00%	

*Discount rate.* A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's proportionate share of the net pension liability	\$ 30,992,753	\$ 20,112,979	\$ 11,119,105
 <b>PERA Fund Municipal Police Division</b>			
	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's proportionate share of the net pension liability	\$ 4,950,722	\$ 3,219,794	\$ 1,808,678

*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, 2019, the County did have any amounts due to NMPERA for the year ended June 30, 2019.

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

***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, 2018, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	<u>93,349</u>
	<u>156,025</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
	<u>93,349</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 \$179,672 for the year ended June 30, 2019.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
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**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, 2019, the County reported a liability of \$9,358,094 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, 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, 2018. At June 30, 2018, the County's proportion was 0.21521 percent.

For the year ended June 30, 2019, the County recognized OPEB expense of (\$136,642). At June 30, 2019 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 554,059
Net difference between projected and actual investment earnings on OPEB plan investments	-	116,786
Change of assumptions	-	1,747,115
Change in proportion	-	584,830
County's contributions subsequent to the measurement date	<u>179,672</u>	<u>-</u>
Total	<u>\$ 179,672</u>	<u>\$ 3,002,790</u>

Deferred outflows of resources totaling \$179,672 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	\$	(738,256)
2020		(738,256)
2021		(738,256)
2022		(598,339)
2023		(189,683)

***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  
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**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% to 12.50% based n years of service, including inflation
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
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table With White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Healthy Mortality

**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:

Asset Class	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	2.1%
U.S. equity - large cap	20%	7.1%
Non U.S. - emerging markets	15%	10.2%
Non U.S. - developed equities	12%	7.8%
Private equity	10%	11.8%
Credit and structured finance	10%	5.3%
Real estate	5%	4.9%
Absolute return	5%	4.1%
U.S. equity - small/mid cap	3%	7.1%

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 4.08% as of June 30, 2018. 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, 2029. 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, 4.08% is the blended discount rate.

**STATE OF NEW MEXICO**  
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**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 (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

	<b>1% Decrease (3.08%)</b>	<b>Current Discount Rate (4.08%)</b>	<b>1% Increase (5.08%)</b>
County's proportionate share of the net OPEB liability	\$ 11,325,498	\$ 9,358,094	\$ 7,807,342

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	\$ 7,910,871	\$ 9,358,094	\$ 10,492,750

***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, 2018.

**Payable Changes in the Net OPEB Liability.** At June 30, 2019, the County did have any amounts due to NMRHCA for the year ended June 30, 2019.

**NOTE 12. 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  
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**NOTE 13. Other Required Fund Disclosures**

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

- A. The County maintained one fund which had a deficit fund balance at June 30, 2019:  

Corrections / Jail Operations	\$10,266
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- B. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2019.
- C. There were no funds with designated cash appropriations in excess of available balances at June 30, 2019.

**NOTE 14. Subsequent Pronouncements**

In June 2017, GASB Statement No. 87 *Leases*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The County is still evaluating the significance of the impact from this pronouncement on its financial statements.

In June 2018, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The standard will be implemented during the fiscal year ended June 30, 2021. The County is still evaluating how this pronouncement will affect the financial statements.

In August 2019, GASB Statement No. 90, *Majority Equity Interest-an amendment of GASB Statements No. 14 and No. 61*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after December 15, 2020. The County does not expect this pronouncement to have a material effect on the financial statements.

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The County does not expect this pronouncement to have a material effect on the financial statements.

**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, 2019

**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. At year end June 30, 2019, the Authority was not required to make a GASB 77 disclosure.

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.



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

*A. Financial Reporting Entity (continued)*

A second criterion is the scope of public service. 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  
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June 30, 2019

**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 \$6,630, 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 \$9,928, 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  
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June 30, 2019

**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, 2019, 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, 2019

**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.

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

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

**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, 2019, the Authority adopted GASB Statements No. 83, Certain Asset Retirement Obligations, No. 84, Fiduciary Activities, No. 88, Certain Disclosures Relate to Debt, including Direct Borrowings and Direct Placements as required by GAAP. None of these new pronouncements have a significant impact on the fiscal year 2019 financial statements.

*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, 2019 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, 2019.

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**  
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**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, 2019, none of the Authority's bank balance of \$433,492 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, 2019.

	<b>Century Bank</b>
Amount of deposits	\$ 433,492
FDIC Coverage	(433,492)
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	\$ -

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**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:

Cash- Statement of Net Position	\$	347,526
Investments		59,805
Restricted cash		16,558
Total cash		423,889
 Plus: reconciling items		 9,603
 Bank balance of deposits		 \$ 433,492

**NOTE 3. Accounts Receivable**

Receivables as of June 30, 2019, are as follows:

Grant receivables, current and noncurrent	\$	316,110
Tenant receivables		25,332
Other receivables		252
Allowance for doubtful accounts - tenants		(21,860)
		\$ 319,834

Of the grant receivables presented above, \$167,327 is not expected to be collected by June 30, 2020. 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, 2019 is as follows:

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



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**NOTE 5. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2019. Land is not subject to depreciation.

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Dispositions and Transfers</u>	<u>Balance June 30, 2019</u>
Capital assets not depreciated:				
Land	\$ 109,735	\$ -	\$ -	\$ 109,735
Total assets not depreciated	<u>109,735</u>	<u>-</u>	<u>-</u>	<u>109,735</u>
Capital assets being depreciated:				
Buildings and improvements	5,541,916	97,628	-	5,639,544
Machinery and equipment	<u>193,922</u>	<u>-</u>	<u>(36,998)</u>	<u>156,924</u>
Total assets depreciated	<u>5,735,838</u>	<u>97,628</u>	<u>(36,998)</u>	<u>5,796,468</u>
Total assets	5,845,573	97,628	(36,998)	5,906,203
Less accumulated depreciation for:				
Buildings and improvements	4,834,571	154,309	-	4,988,881
Machinery and equipment	<u>166,104</u>	<u>10,470</u>	<u>(36,998)</u>	<u>139,576</u>
Total accumulated depreciation	<u>5,000,675</u>	<u>164,779</u>	<u>(36,998)</u>	<u>5,128,457</u>
<b>Capital assets, net</b>	<u>\$ 844,898</u>	<u>\$ (67,151)</u>	<u>\$ -</u>	<u>\$ 777,746</u>

Depreciation expense for the year ended June 30, 2019 totaled \$164,779.

**NOTE 6. Long-term Liabilities**

The following summarizes changes in long-term liabilities during the fiscal year ended June 30, 2019. Compensated absences are typically liquidated through the Low Rent Public Housing Program.

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 8,080	\$ 4,398	\$ 3,836	\$ 8,642	\$ 5,631

**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.



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**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.

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

<b>PERA Contribution Rates and Pension Factors in effect during FY18</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	
<b>STATE PLAN</b>						
State Plan 3	7.42%	8.92%	16.99%	3.0%	2.5%	90%
<b>MUNICIPAL PLANS 1 - 4</b>						
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%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
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%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.9%	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%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	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, 2019, the Authority reported a liability of \$169,003 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017.

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

The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018.

There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018.

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, 2018, the Authority’s proportion was 0.000106 percent, which was a decrease of 0.000029 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Authority recognized pension expense of \$10,648. At June 30, 2019, 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	\$ 4,884	\$ 4,437
Net difference between expected and actual investments on pension plan investments	12,534	-
Change in assumptions	15,323	972
Change in proportion	2,169	32,876
Authority's contributions subsequent to the measurement date	<u>7,126</u>	<u>-</u>
Total	<u>\$ 42,036</u>	<u>\$ 38,285</u>

\$7,126 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, 2019. 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	\$ 5,101
2020	(1,781)
2021	(7,236)
2022	541

*Actuarial assumptions.* The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

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

PERA FUND

<b>PERA</b>	
Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	
Actuarial Assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75% all other years
Mortality Assumption	The morality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward oneyear. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	43.50%	7.48%
Risk Reduction & Mitigation	21.50%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to include Real Estate Equity	<u>20.00%</u>	6.48%
Total	100.00%	

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

*Discount rate.* A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, 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 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Authority's proportionate share of the net pension liability	\$ 260,423	\$ 169,003	\$ 93,430

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, 2019, there were no contributions due and payable to PERA for the Authority.

**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.

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**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 64% of total revenues of the Authority are received directly from the United States Department of Housing and Urban Development, for operations and administration of programs directed by the Department. Receipt of these funds is contingent upon the Authority's continued compliance with grant provisions and the continuance of the grant programs by this U.S. Governmental agency.

**NOTE 11. Subsequent Events**

The date to which events occurring after June 30, 2019, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 22, 2019 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, 2019, 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, 2019, total management fee income was \$81,529.

**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>2019 Measurement Date (As of and for the year ended <u>June 30, 2018</u>)</b>
Rio Arriba County's proportion of the net pension liability	1.2615%
Rio Arriba County's proportionate share of the net pension liability	\$ 20,112,979
Rio Arriba County's covered payroll	\$ 6,547,862
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered payroll	307.17%
Plan fiduciary net position as a percentage of the total pension liability	71.13%

\* 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>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>	<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>
1.2390%	1.3228%	1.3302%	1.3579%
\$ 17,024,908	\$ 21,133,893	\$ 13,562,542	\$ 10,593,077
\$ 7,045,872	\$ 7,401,984	\$ 7,043,138	\$ 6,791,648
241.63%	285.52%	192.56%	155.97%
73.74%	69.18%	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>2019 Measurement Date (As of and for the year ended <u>June 30, 2018</u>)</b>
Rio Arriba County's proportion of the net pension liability	0.4719%
Rio Arriba County's proportionate share of the net pension liability	\$ 3,219,794
Rio Arriba County's covered payroll	\$ 2,031,037
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered payroll	158.53%
Plan fiduciary net position as a percentage of the total pension liability	71.13%

\* 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>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>	<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>
0.4786%	0.4480%	0.4546%	0.4989%
\$ 2,658,937	\$ 3,308,428	\$ 2,185,972	\$ 1,626,360
\$ 2,129,148	\$ 2,096,194	\$ 2,210,948	\$ 2,056,163
124.88%	157.83%	98.87%	79.10%
73.74%	69.18%	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, 2019</u></b>
Contractually required contribution	\$ 789,864
Contributions in relation to the contractually required contribution	<u>(789,864)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Rio Arriba County's covered payroll	\$ 6,624,828
Contributions as a percentage of covered payroll	11.92%

\* 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, 2018</b>	<b>As of and for the year ended June 30, 2017</b>	<b>As of and for the year ended June 30, 2016</b>	<b>As of and for the year ended June 30, 2015</b>
\$ 789,017	\$ 849,028	\$ 891,939	\$ 848,698
<u>(789,017)</u>	<u>(849,028)</u>	<u>(891,939)</u>	<u>(848,698)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,547,862	\$ 7,045,872	\$ 7,401,984	\$ 7,043,138
12.05%	12.05%	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, 2019</u></b>
Contractually required contribution	\$ 331,454
Contributions in relation to the contractually required contribution	<u>(331,454)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Rio Arriba County's covered payroll	\$ 1,845,987
Contributions as a percentage of covered payroll	17.96%

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

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

<b>As of and for the year ended June 30, 2018</b>	<b>As of and for the year ended June 30, 2017</b>	<b>As of and for the year ended June 30, 2016</b>	<b>As of and for the year ended June 30, 2015</b>
\$ 364,055	\$ 381,428	\$ 374,023	\$ 378,219
<u>(364,055)</u>	<u>(381,428)</u>	<u>(374,023)</u>	<u>(378,219)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,031,037	\$ 2,129,148	\$ 2,096,194	\$ 2,210,948
17.92%	17.91%	17.84%	17.11%

requirement to show information for 10  
those years for which information is

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, 2019

**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 2018 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>2019 Measurement Date (As of and for the Year Ended June 30, 2018)</b>	<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)	0.21521%	0.22795%
Rio Arriba County's proportionate share of the net OPEB liability (asset)	\$ 9,358,094	\$ 10,329,949
Rio Arriba County's covered payroll	8,657,852	9,495,593
Rio Arriba County's proportionate share of the net OPEB liability as a percentage of its covered payroll	108%	109%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%	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, 2019</b>	<b>As of and for the Year Ended June 30, 2018</b>
Contractually required contribution	\$ 179,672	\$ 183,495
Contributions in relation to the contractually required contribution	179,672	183,495
Contribution deficiency (excess)	\$ -	\$ -
Rio Arriba County's covered payroll	8,474,954	8,657,852
Contribution as a percentage of covered payroll	2.12%	2.12%

\* 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 Terms*

Recent changes in benefits are described in the financial statement note disclosure covering the Other Post-Employment Benefits (OPEB) – Retiree Health Trust.

*Changes of Assumptions*

Changes in actuarial assumptions are described in the financial statement note disclosure covering the Other Post-Employment Benefits (OPEB) – Retiree Health Trust.

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2018. Additional financial information is available at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us) or by contacting New Mexico Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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, 2019

**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, 2019

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, 2019

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).

2405 – COOP Forestry Assistance Grant – To account for expenditures incurred in the grant whose purpose of implementing and identifying areas threatened areas and how threatened areas will be mitigated.

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.

2411 – Rural Community Assistance - To account for expenditures incurred in grant whose purpose of implementing or identifying Rural Community Assistance. (Authority: County Commission)

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)



**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2019

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)

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)

2457 – Health and Social Services-To account for expenditures incurred in grant whose purpose of implementing and collaborating with the LEAD Program. (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)

2474 – Emergency Management-To account for expenditures incurred in grant whose purpose of purchase and/or maintenance of the communication tower/repeater. (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)

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2019

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)

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)

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Fund Descriptions  
June 30, 2019

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)

**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, 2019

**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	\$ -	\$ -	\$ 370,204	\$ 1,521,246
Investments	-	319,000	-	-
Receivables:				
Taxes receivable	-	27,798	-	67,891
Due from other governments	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 346,798</u>	<u>\$ 370,204</u>	<u>\$ 1,589,137</u>
<i>Liabilities</i>				
Accounts payable	\$ 10,266	\$ -	\$ 511	\$ 4,938
Accrued payroll expenses	-	-	1,345	27,714
<i>Total liabilities</i>	<u>10,266</u>	<u>-</u>	<u>1,856</u>	<u>32,652</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	368,348	-
Public safety	-	346,798	-	-
County roads	-	-	-	1,556,485
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
County property valuation	-	-	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	<u>(10,266)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>(10,266)</u>	<u>346,798</u>	<u>368,348</u>	<u>1,556,485</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 346,798</u>	<u>\$ 370,204</u>	<u>\$ 1,589,137</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>
\$ 602,306	\$ -	\$ -	\$ 67,006	\$ 2,315
621,084	-	-	-	-
188,231	-	-	7,465	-
-	-	-	-	-
<u>\$ 1,411,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,471</u>	<u>\$ 2,315</u>
\$ 18,500	\$ -	\$ -	\$ 8,785	\$ -
-	-	-	-	-
<u>18,500</u>	<u>-</u>	<u>-</u>	<u>8,785</u>	<u>-</u>
-	-	-	-	-
1,393,121	-	-	-	-
-	-	-	-	-
-	-	-	65,686	2,315
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,393,121</u>	<u>-</u>	<u>-</u>	<u>65,686</u>	<u>2,315</u>
<u>\$ 1,411,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,471</u>	<u>\$ 2,315</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2019

**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	\$ 86,927	\$ 821,820	\$ 37,054	\$ 503,398
Investments	-	1,900,000	-	-
Receivables:				
Taxes receivable	-	62,428	-	-
Due from other governments	163,440	-	115,971	-
<i>Total assets</i>	<u>\$ 250,367</u>	<u>\$ 2,784,248</u>	<u>\$ 153,025</u>	<u>\$ 503,398</u>
<i>Liabilities</i>				
Accounts payable	\$ 2,367	\$ -	\$ 647	2,419
Accrued payroll expenses	37,557	-	38,091	-
<i>Total liabilities</i>	<u>39,924</u>	<u>-</u>	<u>38,738</u>	<u>2,419</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	500,979
Public safety	-	2,784,248	114,287	-
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	210,443	-	-	-
County property valuation	-	-	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>210,443</u>	<u>2,784,248</u>	<u>114,287</u>	<u>500,979</u>
<i>Total liabilities and fund balances</i>	<u>\$ 250,367</u>	<u>\$ 2,784,248</u>	<u>\$ 153,025</u>	<u>\$ 503,398</u>

See independent auditors' report.

**Special Revenue**

<b>Fire Department Funds</b>	<b>EMS Funds</b>	<b>New Mexico State Library</b>	<b>COOP Forestry Assistance Grant</b>	<b>Economic Development</b>
\$ 3,019,787	\$ 21,661	\$ 43	\$ -	\$ 32,480
-	-	-	-	-
-	-	-	-	-
13,441	-	-	17,895	-
<u>\$ 3,033,228</u>	<u>\$ 21,661</u>	<u>\$ 43</u>	<u>\$ 17,895</u>	<u>\$ 32,480</u>
\$ 8,109	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>8,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	17,895	-
3,025,119	21,661	-	-	-
-	-	43	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	32,480
-	-	-	-	-
<u>3,025,119</u>	<u>21,661</u>	<u>43</u>	<u>17,895</u>	<u>32,480</u>
<u>\$ 3,033,228</u>	<u>\$ 21,661</u>	<u>\$ 43</u>	<u>\$ 17,895</u>	<u>\$ 32,480</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2019

**Special Revenue**

	<b>Forest Reserve</b>	<b>Rural Community Assistance</b>	<b>Summer Food Program</b>	<b>SCAAP</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 567,745	\$ -	\$ 34,059	\$ 88
Investments	1,062,687	-	-	-
Receivables:				
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
<i>Total assets</i>	<u>\$ 1,630,432</u>	<u>\$ -</u>	<u>\$ 34,059</u>	<u>\$ 88</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	154	-	-	-
<i>Total liabilities</i>	<u>154</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Public safety	-	-	-	-
County roads	1,630,278	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	34,059	-
County property valuation	-	-	-	88
Capital improvements	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>1,630,278</u>	<u>-</u>	<u>34,059</u>	<u>88</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,630,432</u>	<u>\$ -</u>	<u>\$ 34,059</u>	<u>\$ 88</u>

See independent auditors' report.



**Special Revenue**

<b>Sheriff's Grants</b>	<b>Health and Social Services</b>	<b>DWI NMYCC Program</b>	<b>Emergency Management</b>	<b>Behavioral Health</b>
\$ 885	\$ 29,876	\$ -	\$ -	\$ 42,805
-	-	-	-	-
-	-	-	-	-
3,142	-	90,596	-	254,621
<u>\$ 4,027</u>	<u>\$ 29,876</u>	<u>\$ 90,596</u>	<u>\$ -</u>	<u>\$ 297,426</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,101
933	1,811	16,724	-	25,185
<u>933</u>	<u>1,811</u>	<u>16,724</u>	<u>-</u>	<u>26,286</u>
-	-	-	-	-
3,094	-	73,872	-	-
-	-	-	-	-
-	28,065	-	-	271,140
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,094</u>	<u>28,065</u>	<u>73,872</u>	<u>-</u>	<u>271,140</u>
<u>\$ 4,027</u>	<u>\$ 29,876</u>	<u>\$ 90,596</u>	<u>\$ -</u>	<u>\$ 297,426</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2019

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>Inmate Evercom Phone</u>	<u>Redi Net</u>	<u>Senior Appropriations Capital Projects</u>	<u>Fire District Bond Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 22,621	\$ 28,974	\$ 24,602	\$ 306,746
Investments	-	-	-	319,233
Receivables:				
Taxes receivable	-	-	-	-
Due from other governments	-	-	168,264	-
<i>Total assets</i>	<u>\$ 22,621</u>	<u>\$ 28,974</u>	<u>\$ 192,866</u>	<u>\$ 625,979</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	22,621	28,974	-	-
Public safety	-	-	-	-
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
County property valuation	-	-	-	-
Capital improvements	-	-	192,866	-
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	625,979
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>22,621</u>	<u>28,974</u>	<u>192,866</u>	<u>625,979</u>
<i>Total liabilities and fund balances</i>	<u>\$ 22,621</u>	<u>\$ 28,974</u>	<u>\$ 192,866</u>	<u>\$ 625,979</u>

See independent auditors' report.

<u>Capital Projects</u>		<u>Debt Service</u>		
<u>EMS Bond Fund</u>	<u>Legislative Appropriations</u>	<u>Reserve Accounts</u>	<u>Total Nonmajor Governmental Funds</u>	
\$ 44,357	\$ -	\$ 844,789	\$ 9,033,794	
-	-	-	4,222,004	
-	-	-	353,813	
-	122,777	-	950,147	
<u>\$ 44,357</u>	<u>\$ 122,777</u>	<u>\$ 844,789</u>	<u>\$ 14,559,758</u>	
\$ -	\$ -	\$ -	\$ 57,643	
-	-	-	149,514	
-	-	-	207,157	
-	-	-	938,817	
-	-	-	7,762,200	
-	-	-	3,186,763	
-	-	-	68,044	
-	-	-	543,707	
-	-	-	88	
-	-	-	192,866	
-	-	844,789	844,789	
-	-	-	32,480	
44,357	122,777	-	793,113	
-	-	-	(10,266)	
<u>44,357</u>	<u>122,777</u>	<u>844,789</u>	<u>14,352,601</u>	
<u>\$ 44,357</u>	<u>\$ 122,777</u>	<u>\$ 844,789</u>	<u>\$ 14,559,758</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, 2019

	<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	\$ -	\$ -	\$ 189,829	\$ -
Gross receipts	-	183,296	-	-
Gasoline and motor vehicle	-	-	-	518,387
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	726,713
State operating grants	-	126,196	-	-
State capital grants	-	-	-	-
Charges for services	127,847	-	-	-
Licenses and fees	-	-	-	10,204
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>127,847</u>	<u>309,492</u>	<u>189,829</u>	<u>1,255,304</u>
<i>Expenditures</i>				
Current:				
General government	-	-	295,845	-
Public safety	138,113	-	-	-
Public works	-	-	-	1,035,756
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	302,799
Debt service:				
Principal	-	213,265	-	-
Interest	-	126,861	-	-
<i>Total expenditures</i>	<u>138,113</u>	<u>340,126</u>	<u>295,845</u>	<u>1,338,555</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,266)</u>	<u>(30,634)</u>	<u>(106,016)</u>	<u>(83,251)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	26,145	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>26,145</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(10,266)	(4,489)	(106,016)	(83,251)
<i>Fund balances - beginning of year</i>	-	351,287	474,364	1,639,736
<i>Fund balances - end of year</i>	<u>\$ (10,266)</u>	<u>\$ 346,798</u>	<u>\$ 368,348</u>	<u>\$ 1,556,485</u>

See independent auditors' report.

<b>Special Revenue</b>				
<b>Emergency Communication/EMS</b>	<b>Farm &amp; Range Improvement</b>	<b>Law Enforcement Protection</b>	<b>Lodgers' Tax</b>	<b>Recreation</b>
\$ -	\$ -	\$ -	\$ -	\$ -
1,073,214	-	-	-	-
-	-	-	-	-
-	-	-	82,744	-
-	-	-	-	-
-	-	43,800	-	-
-	-	-	-	-
-	-	-	-	2,713
-	-	-	-	-
-	-	-	-	-
<u>1,073,214</u>	<u>-</u>	<u>43,800</u>	<u>82,744</u>	<u>2,713</u>
-	-	-	-	-
859,674	-	23,450	-	-
-	-	-	-	-
-	-	-	88,299	3,392
-	37,500	-	-	-
70,223	-	20,350	-	-
-	-	-	-	-
-	-	-	-	-
<u>929,897</u>	<u>37,500</u>	<u>43,800</u>	<u>88,299</u>	<u>3,392</u>
<u>143,317</u>	<u>(37,500)</u>	<u>-</u>	<u>(5,555)</u>	<u>(679)</u>
-	-	-	-	-
-	33,023	-	-	-
-	-	-	-	-
<u>-</u>	<u>33,023</u>	<u>-</u>	<u>-</u>	<u>-</u>
143,317	(4,477)	-	(5,555)	(679)
<u>1,249,804</u>	<u>4,477</u>	<u>-</u>	<u>71,241</u>	<u>2,994</u>
<u>\$ 1,393,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,686</u>	<u>\$ 2,315</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, 2019

	<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	-	408,802	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	349,741	-	-	-
State operating grants	445,558	-	1,175,159	-
State capital grants	-	-	-	-
Charges for services	-	-	-	120,615
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	47,766	-	10,350	100
<i>Total revenues</i>	843,065	408,802	1,185,509	120,715
<i>Expenditures</i>				
Current:				
General government	-	-	-	252,346
Public safety	-	80,845	1,269,813	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,601,412	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,601,412	80,845	1,269,813	252,346
<i>Excess (deficiency) of revenues over expenditures</i>	(758,347)	327,957	(84,304)	(131,631)
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	122	-	-	-
Transfers in	830,650	-	178,828	-
Transfers (out)	-	-	(106,604)	-
<i>Total other financing sources (uses)</i>	830,772	-	72,224	-
<i>Net change in fund balances</i>	72,425	327,957	(12,080)	(131,631)
<i>Fund balances - beginning of year</i>	138,018	2,456,291	126,367	632,610
<i>Fund balances - end of year</i>	\$ 210,443	\$ 2,784,248	\$ 114,287	\$ 500,979

See independent auditors' report.

**Special Revenue**

<b>Fire Department Funds</b>	<b>EMS Funds</b>	<b>New Mexico State Library</b>	<b>COOP Forestry Assistance Grant</b>	<b>Economic Development</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,005,349	87,181	12,474	31,312	32,783
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,083	751	-	-	3,480
<u>2,011,432</u>	<u>87,932</u>	<u>12,474</u>	<u>31,312</u>	<u>36,263</u>
-	-	-	-	33,783
977,842	71,522	-	13,815	-
-	-	-	-	-
-	-	12,431	-	-
-	-	-	-	-
143,302	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,121,144</u>	<u>71,522</u>	<u>12,431</u>	<u>13,815</u>	<u>33,783</u>
<u>890,288</u>	<u>16,410</u>	<u>43</u>	<u>17,497</u>	<u>2,480</u>
2,569	-	-	-	-
17,211	-	-	398	-
<u>(112,156)</u>	<u>(1,211)</u>	<u>(9,306)</u>	<u>-</u>	<u>(4,020)</u>
<u>(92,376)</u>	<u>(1,211)</u>	<u>(9,306)</u>	<u>398</u>	<u>(4,020)</u>
797,912	15,199	(9,263)	17,895	(1,540)
<u>2,227,207</u>	<u>6,462</u>	<u>9,306</u>	<u>-</u>	<u>34,020</u>
<u>\$ 3,025,119</u>	<u>\$ 21,661</u>	<u>\$ 43</u>	<u>\$ 17,895</u>	<u>\$ 32,480</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, 2019

	<b>Special Revenue</b>			
	<b>Forest Reserve</b>	<b>Rural Community Assistance</b>	<b>Summer Food Program</b>	<b>SCAAP</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	128,631	-	-	-
State operating grants	-	-	49,694	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>128,631</u>	<u>-</u>	<u>49,694</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	4,819
Public works	149,430	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	8,333	30,086	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>149,430</u>	<u>8,333</u>	<u>30,086</u>	<u>4,819</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,799)</u>	<u>(8,333)</u>	<u>19,608</u>	<u>(4,819)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	8,333	30,000	-
Transfers (out)	-	-	(16,733)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>8,333</u>	<u>13,267</u>	<u>-</u>
<i>Net change in fund balances</i>	(20,799)	-	32,875	(4,819)
<i>Fund balances - beginning of year</i>	<u>1,651,077</u>	<u>-</u>	<u>1,184</u>	<u>4,907</u>
<i>Fund balances - end of year</i>	<u>\$ 1,630,278</u>	<u>\$ -</u>	<u>\$ 34,059</u>	<u>\$ 88</u>

See independent auditors' report.



**Special Revenue**

<b>Sheriff's Grants</b>	<b>Health and Social Services</b>	<b>DWI NMYCC Program</b>	<b>Emergency Management</b>	<b>Behavioral Health</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,141	-	-	-	327,923
21,388	29,929	-	130,287	864,744
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
22,380	4,998	270,514	-	-
<u>44,909</u>	<u>34,927</u>	<u>270,514</u>	<u>130,287</u>	<u>1,192,667</u>
-	-	-	-	-
43,196	-	212,010	-	-
-	-	-	-	-
-	-	-	-	-
-	51,739	-	-	1,169,498
-	-	50,312	130,287	-
-	-	-	-	-
-	-	-	-	-
<u>43,196</u>	<u>51,739</u>	<u>262,322</u>	<u>130,287</u>	<u>1,169,498</u>
<u>1,713</u>	<u>(16,812)</u>	<u>8,192</u>	<u>-</u>	<u>23,169</u>
-	-	-	-	-
2,046	44,877	90,596	-	257,915
(13,828)	-	(108,870)	-	(166,877)
<u>(11,782)</u>	<u>44,877</u>	<u>(18,274)</u>	<u>-</u>	<u>91,038</u>
(10,069)	28,065	(10,082)	-	114,207
13,163	-	83,954	-	156,933
<u>\$ 3,094</u>	<u>\$ 28,065</u>	<u>\$ 73,872</u>	<u>\$ -</u>	<u>\$ 271,140</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, 2019

	Special Revenue		Capital Projects	
	Inmate Evercom Phone	Redi Net	Senior Appropriations Capital Projects	Fire District Bond Fund
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	191,480	-
Charges for services	-	4,460	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	19,470	-	-	-
<i>Total revenues</i>	19,470	4,460	191,480	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	27,744	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	191,480	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	27,744	-	191,480	-
<i>Excess (deficiency) of revenues over expenditures</i>	(8,274)	4,460	-	-
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	192,866	111,995
Transfers (out)	-	-	(120,795)	(16,000)
<i>Total other financing sources (uses)</i>	-	-	72,071	95,995
<i>Net change in fund balances</i>	(8,274)	4,460	72,071	95,995
<i>Fund balances - beginning of year</i>	30,895	24,514	120,795	529,984
<i>Fund balances - end of year</i>	\$ 22,621	\$ 28,974	\$ 192,866	\$ 625,979

See independent auditors' report.

<u>Capital Projects</u>		<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
<u>EMS Bond Fund</u>	<u>Legislative Appropriations</u>	<u>Reserve Accounts</u>		
\$ -	\$ -	\$ -	\$ 189,829	
-	-	213,528	1,878,840	
-	-	-	518,387	
-	-	-	82,744	
-	-	-	1,534,149	
-	-	12,971	5,068,825	
-	360,483	-	551,963	
-	-	-	255,635	
-	-	-	10,204	
-	-	7,403	7,403	
-	-	-	385,892	
-	<u>360,483</u>	<u>233,902</u>	<u>10,483,871</u>	
-	105,695	-	687,669	
-	-	-	3,722,843	
-	-	-	1,185,186	
-	-	-	104,122	
-	-	-	2,898,568	
-	203,676	-	1,112,429	
-	-	124,559	337,824	
-	-	102,128	228,989	
-	<u>309,371</u>	<u>226,687</u>	<u>10,277,630</u>	
-	51,112	7,215	206,241	
-	-	-	2,691	
-	71,665	580,207	2,476,755	
-	(476,924)	-	(1,153,324)	
-	<u>(405,259)</u>	<u>580,207</u>	<u>1,326,122</u>	
-	(354,147)	587,422	1,532,363	
44,357	476,924	257,367	12,820,238	
<u>\$ 44,357</u>	<u>\$ 122,777</u>	<u>\$ 844,789</u>	<u>\$ 14,352,601</u>	

See independent auditors' report.

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## **SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Deposit and Investment Accounts  
June 30, 2019

<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	\$ 20,861,361	\$ -	\$ 1,410,714	\$ 19,450,647
Treasurer	Checking	768,775	59,983	4,540	824,218
Inmate Trust Account	Checking	42,745	239	7,413	35,571
Savings	Savings	5,351	-	-	5,351
Sheriff's Bank Account	Checking	2,001	-	-	2,001
Certificate of Deposit	CD	2,320,996	-	-	2,320,996
<i>Total New Mexico Bank and Trust</i>		<u>24,001,229</u>	<u>60,222</u>	<u>1,422,667</u>	<u>22,638,784</u>
<b>Bank of the West</b>					
Money Market	MM	50,415	-	-	50,415
Certificate of Deposit	CD	1,022,770	-	-	1,022,770
<i>Total Bank of the West</i>		<u>1,073,185</u>	<u>-</u>	<u>-</u>	<u>1,073,185</u>
<b>Century Bank</b>					
Savings	Savings	300,666	-	-	300,666
<i>Total Century Bank</i>		<u>300,666</u>	<u>-</u>	<u>-</u>	<u>300,666</u>
<b>Washington Federal</b>					
Savings	Savings	515,305	-	-	515,305
Certificate of Deposit	CD	300,156	-	-	300,156
<i>Total Washington Federal</i>		<u>815,461</u>	<u>-</u>	<u>-</u>	<u>815,461</u>
<b>Wells Fargo</b>					
Savings	Savings	110,371	-	-	110,371
<i>Total Wells Fargo</i>		<u>110,371</u>	<u>-</u>	<u>-</u>	<u>110,371</u>
<b>South West Capital</b>					
Certificate of Deposit	CD	1,761,605	-	-	1,761,605
<i>Total South West Capital</i>		<u>1,761,605</u>	<u>-</u>	<u>-</u>	<u>1,761,605</u>
<i>Bank balance of deposits</i>		<u>\$ 28,062,517</u>	<u>\$ 60,222</u>	<u>\$ 1,422,667</u>	<u>\$ 26,700,072</u>

**New Mexico Finance Authority**

PPRF-4892 Debt Service	Cash equiv.	\$ 218,827	\$ -	\$ -	\$ 218,827
PPRF-4892 Reserve Funds	Cash equiv.	362,799	-	-	362,799
PPRF-4892 Program Funds	Cash equiv.	3,813,398	-	-	3,813,398
Rio Arriba 3 Debt Service	Cash equiv.	42,896	-	-	42,896
Rio Arriba 3 Reserve Funds	Cash equiv.	191,397	-	-	191,397
Rio Arriba 5 Reserve Funds	Cash equiv.	220	-	-	220
Rio Arriba 5 Program Funds	Cash equiv.	164	-	-	164
NCSWA 2 Debt Service	Cash equiv.	13,852	-	-	13,852
NCSWA 2 Reserve Funds	Cash equiv.	14,634	-	-	14,634
<i>Total New Mexico Finance Authority</i>		<u>4,658,187</u>	<u>-</u>	<u>-</u>	<u>4,658,187</u>

See independent auditors' report.

<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	\$ 5,494,012	\$ -	\$ -	\$ 5,494,012
<i>Total State of New Mexico LGIP</i>		<u>5,494,012</u>	<u>-</u>	<u>-</u>	<u>5,494,012</u>
<i>Total investments</i>		<u>10,152,199</u>	<u>-</u>	<u>-</u>	<u>10,152,199</u>
<i>Plus: Petty Cash</i>					<u>750</u>
<i>Total deposits and investments</i>		<u>\$ 38,214,716</u>	<u>\$ 60,222</u>	<u>\$ 1,422,667</u>	<u>\$ 36,853,021</u>

## Deposits and investments per financial statements:

Cash and cash equivalents - Exhibit A-1	\$ 20,773,590
Investments - Exhibit A-1	10,899,539
Restricted cash and cash equivalents - Exhibit A-1	4,658,187
Fiduciary funds cash - Exhibit E-1	<u>521,705</u>
<i>Total cash, cash equivalents, and investments</i>	<u>\$ 36,853,021</u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Collateral Pledged by Depository  
For Public Funds  
June 30, 2019

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2019
<b>New Mexico Bank and Trust</b>				
	FHLMC PC	2/1/2049	31335CCD3	\$ 7,855,233
	SCRT 2018-3 HA	8/25/2057	35563PGB9	941,335
	GNMA REMIC TRUST 2015-177	7/20/2045	38379F6N4	2,423,670
	SBA POOL 521893	12/25/2037	83165AKE3	882,654
	SBA POOL 521894	4/25/2038	83165AKF0	679,878
	SBA VARIABLE RATE POOL 521933	2/25/2038	83165ALN2	129,313
	SBA PC	6/25/2038	83165AMS0	712,732
	SBA POOL 522265	4/25/2041	83165AW26	1,438,015
	UNITED STATES TREAS NTS	7/31/2019	912828TH3	3,326,217
<i>Total New Mexico Bank and Trust</i>				18,389,047

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	331,958
	FH 4257A A SEQ FIX	10/15/2027	3137B56H1	8,907
	GN 17137D AE SEQ FIX	8/20/2044	38380GYA6	29,505
	G2SF MA2753 3.00 04/20/45	4/20/2045	36179RBW8	10,320
	G2SF MA3375 3.00 01/20/46	1/1/2046	36179RXC8	8,718
	GNMA2 SINGLE FAMILY 30 YR	9/20/2043	36179NM96	1,359
	G2SF MA3520 3.00 03/20/46	3/20/2046	36179R4D8	4,735
	G2SF MA2677 3.00 3/20/45	8/20/2045	36179RLN7	9,955
	FHLMC GOLD 30 YR	10/1/2042	3132HM3Y5	9,798
	G2SF MA3662 3.00 5/20/46	5/20/2046	36179SB71	3,347
	G2SF MA2677 3.00 3/20/45	3/20/2045	36179Q6N6	7,683
	G2SF MA2677 3.00 3/20/45	3/20/2045	36179Q6N6	4,490
	GNMA1 SINGLE FAMILY 30 YR	6/15/2042	36176XUA5	65,138
	GNMA2 SINGLE FAMILY 30 YR	9/20/2041	36202FXJ0	24,445
	FNCL AS7582 3.00 7/1/46	7/1/2046	3138WHM82	70,133
	GNMA2 SINGLE FAMILY 30 YR	4/20/2042	36179MAX8	17,837
	GNMA2 ARM MULTIPLE	1/20/2043	36179MYQ7	9,378
	GNMA2 ARM MULTIPLE	3/20/2043	36179M6H8	7,759
	GNMA2 SINGLE FAMILY 30 YR	12/20/2042	36179MVQ0	12,862
	FNMA CONV 30 YR SF	9/1/2042	3138M8J61	14,171
	FNMA CONV 30 YR SF	9/1/2042	3138M93R0	12,258
	GNMA2 ARM MULTIPLE	2/20/2042	36225FLV9	188,164
<i>Total Bank of the West</i>				852,920

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

<b>Washington Federal</b>				
	FNMA PL#BC2636	11/1/2046	3140EW4W2	592,307
<i>Total Washington Federal</i>				592,307

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

*Total Pledged Collateral* \$ 19,834,274

See independent auditors' report.



**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Changes in Fiduciary Assets and Liabilities  
 Custodial Funds  
 For the Year Ended June 30, 2019

Schedule III

	<b>Balance June 30, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 541,309	\$ 55,222	\$ 74,826	\$ 521,705
Other taxes receivable	320,160	486,787	607,765	199,182
Property taxes receivable	<u>4,027,232</u>	<u>20,564,840</u>	<u>20,025,333</u>	<u>4,566,739</u>
<i>Total assets</i>	<u><u>\$ 4,888,701</u></u>	<u><u>\$ 21,106,849</u></u>	<u><u>\$ 20,707,924</u></u>	<u><u>\$ 5,287,626</u></u>
<b>Liabilities</b>				
Due to other entities and inmates	<u>\$ 4,888,701</u>	<u>\$ 21,106,849</u>	<u>\$ 20,707,924</u>	<u>\$ 5,287,626</u>
<i>Total liabilities</i>	<u><u>\$ 4,888,701</u></u>	<u><u>\$ 21,106,849</u></u>	<u><u>\$ 20,707,924</u></u>	<u><u>\$ 5,287,626</u></u>

See independent auditors' report.

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2019

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>State Debt Service</b>			
2009	814,248	25,198	1,380
2010	1,086,460	24,049	2,233
2011	973,698	25,596	2,574
2012	1,075,238	(22,929)	3,587
2013	1,115,526	(12,292)	5,064
2014	1,187,511	(7,582)	8,379
2015	1,137,478	6,639	14,747
2016	1,164,359	9,721	33,989
2017	1,146,147	(5,223)	77,240
2018	1,279,354	(608)	1,017,708
	<b>\$ 10,980,019</b>	<b>\$ 42,568</b>	<b>\$ 1,166,901</b>

**County Operating**

2009	5,094,860	(13,823)	9,293
2010	5,135,259	(14,523)	10,715
2011	5,301,212	6,865	13,109
2012	5,510,747	(87,234)	17,288
2013	5,677,306	(16,257)	23,882
2014	5,760,860	(21,679)	41,791
2015	5,763,596	98,256	73,912
2016	5,874,727	121,813	159,367
2017	6,038,070	(23,064)	399,245
2018	7,267,071	9,125	5,545,507
	<b>\$ 57,423,709</b>	<b>\$ 59,480</b>	<b>\$ 6,294,109</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>
830,104	1,342	830,045	9,342
1,096,971	2,101	1,096,777	13,538
984,970	2,492	984,810	14,324
1,034,682	3,355	1,034,354	17,627
1,079,935	4,846	1,079,403	23,299
1,149,645	8,005	1,148,723	30,283
1,113,999	19,723	1,112,738	30,118
1,130,906	32,080	1,124,012	43,173
1,074,383	83,003	1,069,326	66,541
1,017,708	1,006,528	1,002,997	261,037
<b>\$ 10,513,303</b>	<b>\$ 1,163,475</b>	<b>\$ 10,483,185</b>	<b>\$ 509,283</b>
5,029,832	9,188	5,029,606	51,206
5,067,734	10,403	5,067,177	53,003
5,246,898	12,931	5,246,361	61,179
5,355,970	16,368	5,354,619	67,542
5,569,222	23,053	5,566,687	91,828
5,647,743	40,227	5,643,433	91,438
5,749,109	94,940	5,743,223	112,742
5,832,319	147,752	5,800,686	164,222
5,735,357	422,762	5,713,334	279,649
5,545,507	5,489,381	5,469,817	1,730,690
<b>\$ 54,779,691</b>	<b>\$ 6,267,004</b>	<b>\$ 54,634,942</b>	<b>\$ 2,703,498</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2019

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>Municipalities</b>			
<b>Village of Chama</b>			
2009	75,956	(93)	-
2010	78,093	(296)	-
2011	80,715	(191)	-
2012	87,255	(2,613)	174
2013	89,343	(467)	288
2014	93,025	(101)	650
2015	98,797	17	1,731
2016	99,390	(196)	3,935
2017	102,992	(643)	11,296
2018	109,230	(206)	93,197
	<b>\$ 914,796</b>	<b>\$ (4,788)</b>	<b>\$ 111,272</b>
<b>City of Espanola</b>			
2009	405,401	(3,173)	39
2010	402,604	(1,814)	99
2011	413,337	(3,452)	75
2012	449,868	(17,044)	266
2013	475,248	(6,807)	973
2014	489,511	(12,045)	3,152
2015	544,347	(6,689)	8,843
2016	553,183	(1,792)	20,093
2017	579,037	(4,844)	37,745
2018	619,526	(1,682)	543,105
	<b>\$ 4,932,063</b>	<b>\$ (59,342)</b>	<b>\$ 614,388</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>
75,667	-	75,667	196
77,499	-	77,499	298
79,953	-	79,953	571
84,447	170	84,443	195
88,486	325	88,481	390
92,374	647	92,328	551
97,795	2,268	97,581	1,019
97,175	3,329	96,171	2,019
96,549	12,055	95,774	5,800
93,197	92,063	91,498	15,827
<b>\$ 883,142</b>	<b>\$ 110,856</b>	<b>\$ 879,397</b>	<b>\$ 26,865</b>

397,721	24	397,707	4,506.97
397,327	125	397,314	3,464
405,112	109	405,098	4,774
427,308	224	427,200	5,516
460,333	1,150	460,043	8,108
471,390	3,107	470,800	6,076
529,640	10,462	529,032	8,017
538,749	16,929	533,569	12,642
542,974	39,083	541,228	31,220
543,105	534,250	529,946	74,739
<b>\$ 4,713,658</b>	<b>\$ 605,464</b>	<b>\$ 4,691,936</b>	<b>\$ 159,063</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2019

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>Mesa Vista SD#6</b>			
2009	232,059	(633)	464
2010	217,787	(1,109)	373
2011	213,116	(969)	477
2012	239,453	(4,700)	724
2013	246,687	(851)	968
2014	237,709	(1,006)	1,768
2015	289,061	666	3,183
2016	289,701	(1,294)	9,356
2017	206,733	1,359	17,048
2018	268,327	(3,407)	228,086
	<b>\$ 2,440,632</b>	<b>\$ (11,944)</b>	<b>\$ 262,447</b>

**Chama Valley Schools #19**

2009	1,452,005	(2,323)	3,248
2010	1,301,590	(5,528)	3,480
2011	1,291,997	(10,172)	3,980
2012	1,276,048	(41,085)	5,517
2013	1,275,053	(12,572)	6,237
2014	1,278,349	(17,157)	7,504
2015	1,501,846	(13,482)	13,155
2016	1,719,268	(8,557)	40,197
2017	1,614,901	(15,003)	110,003
2018	1,536,332	(8,333)	1,350,811
	<b>\$ 14,247,389</b>	<b>\$ (134,211)</b>	<b>\$ 1,544,132</b>

**Dulce Independent #21**

2009	782,844	(841)	1,124
2010	1,705,764	(2,127)	2,999
2011	781,141	51,723	1,091
2012	672,514	12,671	995
2013	999,423	20,244	2,494
2014	894,579	18,442	2,809
2015	1,374,204	47,171	5,543
2016	2,382,362	130,397	14,760
2017	1,509,746	1,333	43,402
2018	818,816	14,027	748,610
	<b>\$ 11,921,394</b>	<b>\$ 293,040</b>	<b>\$ 823,827</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>
228,503	393	228,432	2,924
213,758	272	213,657	2,920
208,256	420	208,198	3,891
229,743	599	229,617	5,010
237,222	850	237,104	8,614
228,240	1,689	228,066	8,462
277,564	4,250	277,358	12,163
273,122	9,343	270,720	15,284
194,479	18,563	193,041	13,613
228,086	224,960	224,418	36,834
<b>\$ 2,318,972</b>	<b>\$ 261,339</b>	<b>\$ 2,310,611</b>	<b>\$ 109,715</b>
1,435,014	3,342	1,435,014	14,668
1,280,253	3,353	1,280,078	15,809
1,266,223	3,775	1,265,972	15,602
1,220,642	4,958	1,220,045	14,321
1,244,048	5,865	1,243,499	18,432
1,240,588	7,160	1,239,619	20,604
1,456,416	20,036	1,454,827	31,948
1,655,159	36,727	1,644,810	55,551
1,516,894	119,256	1,509,093	83,005
1,350,811	1,336,202	1,331,435	177,189
<b>\$ 13,666,048</b>	<b>\$ 1,540,676</b>	<b>\$ 13,624,392</b>	<b>\$ 447,130</b>
778,754	1,124	778,754	3,250
1,696,095	2,999	1,696,095	7,543
828,797	1,091	828,797	4,067
680,870	989	680,863	4,315.56
1,013,525	2,513	1,013,494	6,141.44
906,723	2,779	906,693	6,298.08
1,410,482	6,110	1,410,431	10,893.76
2,493,955	16,304	2,493,344	18,803.75
1,496,145	44,785	1,495,717	14,934
748,610	747,304	747,219	84,234
<b>\$ 12,053,954</b>	<b>\$ 825,998</b>	<b>\$ 12,051,408</b>	<b>\$ 160,480</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2019

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>Penasco #32</b>			
2009	41,176	1	-
2010	31,833	(16)	-
2011	10,407	(7)	-
2012	14,544	(739)	-
2013	23,253	(394)	64
2014	22,602	(406)	111
2015	22,613	(60)	180
2016	23,057	57	504
2017	25,225	(3)	2,247
2018	23,593	2,531	22,813
	<b>\$ 238,302</b>	<b>\$ 963</b>	<b>\$ 25,919</b>

**Espanola 45IN&Out**

2009	2,323,036	(11,312)	2,098
2010	2,368,898	(10,938)	3,134
2011	2,372,103	(16,329)	5,521
2012	2,355,363	(61,245)	7,811
2013	3,674,126	(42,408)	18,018
2014	3,308,532	(41,021)	27,670
2015	3,599,780	7,695	57,361
2016	4,624,070	20,705	168,359
2017	3,853,313	(21,756)	268,596
2018	3,512,588	(1,995)	3,050,063
	<b>\$ 31,991,810</b>	<b>\$ (178,603)</b>	<b>\$ 3,608,632</b>

**Jemez Mtn #53**

2009	297,168	997	1,771
2010	341,752	1,014	2,044
2011	364,059	(11,721)	2,053
2012	244,752	6,879	1,354
2013	276,660	3,288	1,641
2014	172,627	6,160	1,823
2015	191,226	10,141	3,468
2016	205,846	8,186	5,586
2017	214,453	1,699	16,428
2018	430,384	(729)	200,894
	<b>\$ 2,738,926</b>	<b>\$ 25,915</b>	<b>\$ 237,061</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>
40,556	-	40,556	620
31,233	-	31,233	584
10,140	-	10,140	260
13,492	-	13,492	313
22,261	-	22,197	598
21,398	53	21,340	798
21,669	124	21,613	884
22,125	535	22,018	989
22,872	2,430	22,664	2,349
22,813	22,579	22,579	3,311
<b>\$ 228,559</b>	<b>\$ 25,720</b>	<b>\$ 227,830</b>	<b>\$ 10,706</b>

2,285,805	1,905	2,285,554	25,920
2,331,507	2,750	2,330,940	26,453
2,325,323	5,274	2,324,836	30,450
2,261,496	7,244	2,260,647	32,622
3,566,030	16,973	3,563,568	65,689
3,204,773	25,674	3,201,070	62,738
3,524,880	77,656	3,519,290	82,595
4,484,582	155,873	4,448,618	160,194
3,582,417	291,247	3,563,107	249,140
3,050,063	3,009,858	2,995,867	460,530
<b>\$ 30,616,877</b>	<b>\$ 3,594,454</b>	<b>\$ 30,493,498</b>	<b>\$ 1,196,331</b>

295,193	1,774	295,193	2,972
339,129	2,067	339,129	3,637
348,149	2,107	348,149	4,189
248,212	1,403	248,212	3,420.17
276,060	1,766	276,060	3,889
176,365	1,897	176,335	2,422
198,628	3,939	198,587	2,739
209,394	5,728	209,029	4,637
209,809	16,960	209,232	6,343
200,894	199,694	199,498	228,761
<b>\$ 2,501,832</b>	<b>\$ 237,334</b>	<b>\$ 2,499,423</b>	<b>\$ 263,009</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2019

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>Hospital</b>			
2009	2,488,665	(7,232)	4,335
2010	2,499,118	(8,094)	5,164
2011	2,543,747	(910)	6,584
2012	2,666,298	(45,439)	8,933
2013	3,341,384	(17,682)	15,591
2014	3,383,296	(15,092)	25,282
2015	3,416,703	28,421	45,883
2016	3,463,909	38,877	103,405
2017	3,477,467	(13,056)	232,791
2018	3,895,326	(309)	3,106,706
	<b>\$ 31,175,912</b>	<b>\$ (40,516)</b>	<b>\$ 3,554,675</b>

**Chama SWCD**

2009	102,088	(173)	280
2010	102,239	(446)	337
2011	104,523	(943)	394
2012	113,088	(3,679)	548
2013	111,876	(1,209)	590
2014	114,698	(1,282)	581
2015	117,268	(1,272)	736
2016	119,735	(662)	2,310
2017	119,710	(1,183)	7,197
2018	124,367	(921)	109,905
	<b>\$ 1,129,590</b>	<b>\$ (11,770)</b>	<b>\$ 122,877</b>

**East Espanola SWCD**

2009	291,497	(1,095)	357
2010	293,568	(1,329)	510
2011	298,430	(1,888)	944
2012	321,708	(7,134)	1,405
2013	331,059	(3,584)	1,964
2014	343,441	(1,771)	3,160
2015	349,359	2,767	5,512
2016	356,493	2,309	12,695
2017	353,961	(1,414)	26,272
2018	363,811	(620)	313,524
	<b>\$ 3,303,328</b>	<b>\$ (13,758)</b>	<b>\$ 366,343</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>
2,456,251	4,244	2,456,096	25,182
2,464,665	4,915	2,464,282	26,358
2,512,710	6,410	2,512,345	30,127
2,587,013	8,387	2,586,235	33,846
3,269,359	14,912	3,267,694	54,344
3,309,466	23,981	3,306,605	58,738
3,373,194	61,257	3,369,260	71,929
3,395,513	97,321	3,374,474	107,273
3,277,862	250,519	3,262,651	186,549
3,106,706	3,072,877	3,062,136	788,311
<b>\$ 29,752,739</b>	<b>\$ 3,544,823</b>	<b>\$ 29,661,778</b>	<b>\$ 1,382,657</b>

100,717	288	100,717	1,197
100,364	324	100,347	1,429
102,209	374	102,184	1,371
107,921	488	107,858	1,487
108,812	540	108,754	1,855
111,276	544	111,182	2,140
113,240	1,261	113,145	2,756
114,941	2,332	114,452	4,131
112,567	8,003	112,173	5,960
109,905	108,794	108,462	13,541
<b>\$ 1,081,953</b>	<b>\$ 122,949</b>	<b>\$ 1,079,275</b>	<b>\$ 35,868</b>

287,145	327	287,105	3,258
288,706	435	288,612	3,533
292,586	890	292,505	3,956
309,964	1,305	309,830	4,610
321,440	1,795	321,216	6,035
333,773	2,875	333,372	7,897
342,573	7,482	341,974	9,553
344,701	11,939	342,172	14,101
328,861	28,515	326,859	23,687
313,524	309,571	308,547	49,668
<b>\$ 3,163,272</b>	<b>\$ 365,134</b>	<b>\$ 3,152,192</b>	<b>\$ 126,298</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 County Treasurer's Property Tax Schedule  
 For the year ended June 30, 2019

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>
<b>Cuba SWCD</b>			
2009	63,003	224	382
2010	67,505	191	400
2011	64,822	(2,065)	362
2012	64,578	1,755	353
2013	69,758	776	408
2014	63,844	1,447	795
2015	67,705	4,103	1,362
2016	73,838	3,467	2,008
2017	77,704	671	5,818
2018	162,205	500	73,492
	<b>\$ 774,961</b>	<b>\$ 11,070</b>	<b>\$ 85,379</b>
<b>Upper Rio Grande Water Shed</b>			
2014	270,078	(92,349)	1,949
2015	180,076	(1,420)	3,762
2016	141,942	(817)	4,904
2017	144,135	(783)	9,242
2018	147,313	(778)	126,628
	<b>\$ 883,544</b>	<b>\$ (96,147)</b>	<b>\$ 146,485</b>
<b>Total</b>	<b>\$ 175,096,374</b>	<b>\$ (118,043)</b>	<b>\$ 18,964,449</b>
<b>Grand Total</b>			
2009	14,464,007	(14,278)	24,770
2010	15,632,470	(20,965)	31,487
2011	14,813,305	35,537	37,165
2012	15,091,454	(272,537)	48,956
2013	17,706,704	(90,216)	78,181
2014	17,620,661	(185,442)	127,426
2015	18,654,056	182,955	239,377
2016	21,091,879	322,214	581,468
2017	19,463,594	(81,910)	1,264,570
2018	20,558,242	6,598	16,531,048
<b>Grand Total</b>	<b>\$ 175,096,374</b>	<b>\$ (118,043)</b>	<b>\$ 18,964,449</b>

Taxes Collected to Date	Taxes Distributed Current Year	Taxes Distributed To Date	County Taxes Receivable at Year End
62,602	383	62,602	626
66,975	405	66,975	721
62,009	372	62,009	748
65,427	365	65,427	906
69,546	441	69,546	987
64,391	833	64,383	899
70,844	1,461	70,832	964
75,785	1,939	75,556	1,520
76,306	5,937	76,034	2,069
73,492	73,062	72,981	89,213
<b>\$ 687,377</b>	<b>\$ 85,197</b>	<b>\$ 686,344</b>	<b>\$ 98,653</b>

174,348	1,598	173,983	3,380
174,462	4,863	173,738	4,194
136,931	4,160	135,428	4,195
134,346	9,784	133,357	9,005
126,628	124,615	123,743	19,907
<b>\$ 746,715</b>	<b>\$ 145,019</b>	<b>\$ 740,249</b>	<b>\$ 40,681</b>

<b>\$ 167,708,094</b>	<b>\$ 18,895,442</b>	<b>\$ 167,216,458</b>	<b>\$ 7,270,237</b>
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14,303,862	24,335	14,303,046	145,868
15,452,215	30,148	15,450,114	159,290
14,673,334	36,245	14,671,356	175,507
14,627,186	45,854	14,622,842	191,731
17,326,279	75,028	17,317,747	290,209
17,132,494	121,068	17,117,933	302,725
18,454,497	315,834	18,433,630	382,515
20,805,358	542,290	20,685,058	608,736
18,401,821	1,352,901	18,323,590	979,864
16,531,048	16,351,739	16,291,142	4,033,792
<b>\$ 167,708,094</b>	<b>\$ 18,895,442</b>	<b>\$ 167,216,458</b>	<b>\$ 7,270,237</b>

**STATE OF NEW MEXICO**  
 Rio Arriba County  
 Schedule of Tax Roll Reconciliation- Property Tax Receivable  
 June 30, 2019

Schedule V

Property taxes receivable June 30, 2018	\$	5,747,312
Changes to Tax Roll:		
Net taxes charged to Treasurer for fiscal year		20,564,840
Adjustments:		
Charge off of taxes receivable		(125,509)
Net adjustments		<u>48,043</u>
Total receivables prior to collections		26,234,686
Collections for fiscal year ended June 30, 2019		<u>(18,964,449)</u>
Property taxes receivable June 30, 2019	\$	<u><u>7,270,237</u></u>
Per Treasurer's report:		
Property taxes receivable by year:		
2009	\$	145,868
2010		159,290
2011		175,507
2012		191,731
2013		290,209
2014		302,725
2015		382,515
2016		608,736
2017		979,864
2018		<u>4,033,792</u>
Total property taxes receivable	\$	<u><u>7,270,237</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**

Brian S. Colón, Esq.  
New Mexico State Auditor  
U.S. Office of Management and Budget  
County Commissioners  
Rio Arriba County  
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, 2019, 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 22, 2019.

**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. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free 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 findings as items 2019-003 and 2019-004.

## **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 22, 2019

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**FEDERAL FINANCIAL ASSISTANCE**

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

### INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.  
New Mexico State Auditor  
U.S. Office of Management and Budget  
County Commissioners  
Rio Arriba County  
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, 2019. 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County's compliance.

#### **Basis for Qualified Opinion on Schools and Roads – Grants to Counties**

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA No. 10.666 Schools and Roads – Grants to Counties as described in finding 2019-001 for Reporting. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

#### **Qualified Opinion on Schools and Roads – Grants to Counties**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 Schools and Roads – Grants to Counties for the year ended June 30, 2019.

### **Unmodified Opinion on Each of the Other Major Federal Programs**

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

### **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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 22, 2019

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

<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	\$ 45,635	\$ -	\$ -
<i>Direct Awards</i>				
Cooperative Forestry Assistance	10.664	25,358	-	-
<i>Passed through NM Department of Finance and Administration</i>				
School and Roads - Grants to Counties	10.666 *	726,561	-	-
School and Roads - Grants to Counties	10.666 *	149,631	-	-
Forest Patrol - Carson/Santa Fe	10.666 *	3,867	-	-
<i>Total U.S. Department of Agriculture</i>		<u>951,052</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Army Engineer District</b>				
Law Enforcement, Abiquiu Lake	12.1XX	9,646	-	-
<i>Total U.S. Department of Army Engineer District</i>		<u>9,646</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Housing and Urban Development</b>				
Low Rent Public Housing	14.850 *	429,422	-	-
Section 8 Vouchers Housing Program	14.871	73,435	-	-
Public Housing Capital Fund Program	14.872 *	26,734	-	-
<i>Total U.S. Department of Housing and Urban Development</i>		<u>529,591</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Interior</b>				
Taylor Grazing Act of 6-28-34	15.227	37,500	-	-
<i>Total U.S. Department of Interior</i>		<u>37,500</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Justice</b>				
SCAAP	16.606	4,819	-	-
Comprehensive Opioid Abuse Program	16.838	74,410	-	-
<i>Total U.S. Department of Justice</i>		<u>79,229</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
Highway Safety Improvement Program	20.608	6,059	-	-
<i>Total U.S. Department of Transportation</i>		<u>6,059</u>	<u>-</u>	<u>-</u>
<b>U.S. Environmental Protection Agency</b>				
Wastewater Grant	66.458	32,783	-	-
<i>Total U.S. Environmental Protection Agency</i>		<u>32,783</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	47,984	-	-
Federal Aging Grant Title III Part C I	93.045	58,750	-	-
Federal Aging Grant Title III Part C II	93.045	44,815	-	-
Federal Commodities - Nutrition	93.053	66,738	-	66,738
<i>Passed through National Council of Aging</i>				
National Council of Aging	93.071	67,044	-	-
<i>Direct awards</i>				
Abstinence Education Grant SWAH DOH	93.235	51,967	-	-
Rural Health Network	93.912	156,559	-	-
Prescription Drug Overdose Prevention	93.136	17,000	-	-
Opioid STR	93.788	41,569	-	-
<i>Total U.S Department of Health and Human Services</i>		<u>552,426</u>	<u>-</u>	<u>66,738</u>
<b>U.S. Department of Homeland Security</b>				
EMU 2017-SS-00032-S01	97.067	130,287	-	-
<i>Total U.S. Department of Homeland Security</i>		<u>130,287</u>	<u>-</u>	<u>-</u>
<b>U.S. Corporation for National and Community Services</b>				
AmeriCorps	94.006	29,620	-	-
<i>Total U.S. Corporation for National and Community Services</i>		<u>29,620</u>	<u>-</u>	<u>-</u>
<i>Total Federal Financial Assistance</i>		<u>\$ 2,358,193</u>	<u>\$ -</u>	<u>\$ 66,738</u>

\* Denotes Major Federal Financial Assistance Program

() Denotes Cluster

## **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, 2019

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

*Financial Statements:*

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

*Federal Awards:*

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | Yes        |
| 2. Type of auditors' report issued on compliance for major programs   | Qualified  |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | Yes        |

4. Identification of major programs:

CFDA Number	Federal Program
10.666	Schools and Roads – Grants to Counties
14.850	Low Rent Public Housing

- |   |           |
|---|-----------|
| 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, 2019

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**None**

**SECTION III - FEDERAL AWARD FINDINGS**

**2019-001 Noncompliance with Reporting Requirements (Material Noncompliance) (Primary Government)**

*Federal program information:*

Funding agency:	U.S. Department of Agriculture
Title:	Schools and Roads – Grants to Counties
CFDA number:	10.666
Award year:	July 1, 2018 to June 30, 2019
Compliance Requirement:	Reporting

*Condition:* The County did not submit the Certification of Title III Expenditures and Unobligated Funds during the year ended June 30, 2019.

*Criteria:* The County is required to report the County's Certification of Title III Expenditures and Unobligated Funds (OMB No. 0596-0220) by no later than February 1 of each fiscal year for the after the year in which any Title III county funds were expended by a participating county.

*Questioned Costs:* None

*Cause:* The County had turnover during the year at the position that is responsible for completing the Certification and the employee who took over the position didn't start until after February 1.

*Effect:* The County is not in compliance with the reporting requirements.

*Auditor's Recommendations:* We recommend that the County always ensure that this report is completed every year by February 1 and have more than one employee responsible for this submission to ensure that in the future if one employee leaves it is not forgotten that it needs to be completed.

*Agency's Response:* I (Firewise Coordinator) didn't submit a Certificate of Title III Expenditure and Unobligated funds for the year of 2019. I took over the position of Firewise Coordinator in February 2019, the Certificate of Title III Expenditures and Unobligated Funds was due no later than February I became aware of this August 30, 2019 I did research prior Coordinators files along with our IT Computer Tech researched her computer we were unsuccessful to find any files containing this request. In the future I will make every effort to ensure that this is completed in a timely manner.

**STATE OF NEW MEXICO**  
Rio Arriba County  
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For the Year Ended June 30, 2019

**SECTION III - FEDERAL AWARD FINDINGS**

**2019-002 Procurement Policies (Significant Deficiency) (Primary Government and Component Unit)**

*Federal program information:*

Funding agency:	All Programs
Title:	All Programs
CFDA number:	All
Award year:	July 1, 2018 to June 30, 2019
Compliance Requirement:	Procurement and Allowable Costs

*Condition:* The County did not update their procurement policies and procedures to comply with Uniform Guidance guidelines for federal funds.

*Criteria:* According to 2 CFR part 200.318 of the OMB Uniform Guidance, non-federal entities must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified. The standard that the County has not updated its policies and procedures to conform to Federal law is with 2 CFR 200.320; procurement by small purchases (those over \$10,000) must obtain price or rate quotations from an adequate number of qualified sources.

*Questioned Costs:* None.

*Cause:* The County's federal procurement policies and procedures conform to the NM State Procurement Code, those policies however have not yet been updated to conform to the new Uniform Guidance requirements.

*Effect:* The County's federal procurement policies are not in compliance with the OMB Uniform Guidance requirements for procurement.

*Auditor's Recommendations:* We recommend that the County adopt the new Uniform Guidance policies and procedures and update their procurement policies for federal awards to include a policy for small purchases to obtain price or rate quotations from qualified sources for purchases of \$10,000 or more for each fiscal year.

*Agency's Response:* The new guidelines was Commissioned approved and passed during the July 30, 2019 meeting,

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

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

**2019-003 Payments for Goods/Services without Receipt of Goods/Services (Other Matter)**

*Condition:* During our audit, we noted one cash disbursement for lodging for a conference totaling \$128, where the County was charged for a “no show” fee for not showing up to the hotel.

*Criteria:* Anti-donation Clause of New Mexico Constitution (Article IX, Sec. 14) Neither the state nor any county, school district or municipality, except as otherwise provided in the NM constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation.

*Effect:* The County has disbursed public funds but did not receive any good and/or services.

*Cause:* The hotel was booked for the County and the individual did not show up on the day the hotel was reserved for.

*Auditors’ Recommendation:* We recommend that all goods and services are received prior to the disbursement of any public funds or that the County require reimbursements from, either the vendor or the County representative, in the event they cannot attend a previously paid for lodging.

*Agency’s Response:* This was addressed and resolved with the New Commissioner.

**2019-004– Pledged Collateral – (Other Matter)**

*Condition:* Deposits at one bank were not collateralized in accordance with State of New Mexico Statutes. At June 30, 2019, the County has under collateralized deposits in the amount of \$25,333 with one financial institution.

*Criteria:* Any bank designated a deposit of public money shall deliver pledged collateral with a value equal to one half the amount of the public money in excess of insurance, to a custodial bank and a joint safekeeping receipt issued by the custodial bank to the County (Section 6-10-17 NMSA 1978). Monitoring collateralization of the County’s funds is essential in ensuring compliance with State of New Mexico Statutes.

*Effect:* Lack of proper monitoring of pledged collateral could result in excessive loss of County’s funds if the financial institutions encounter financial difficulties.

*Cause:* The amounts on deposit were not adequately monitored to ensure that balances were sufficiently collateralized.

*Auditors’ Recommendations:* As part of a formal policy implemented by the County, an individual should be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

*Agency’s Response:* Upon communication with the auditors and Century Bank, the Treasurer transferred \$58,000 from Century Bank into Rio Arriba County’s primary bank account. This ensured that the Savings Account at Century Bank is 100% collateralized. The Treasurer and staff will continue to monitor account balances to ensure that public funds remain sufficiently collateralized.

**STATE OF NEW MEXICO**  
Rio Arriba County  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

Schedule VII

**SECTION V. PRIOR YEAR AUDIT FINDINGS**

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

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

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



*Rio Arriba*  
*Board of County Commissioners*

**COMMISSIONERS**

**Danny J. Garcia**  
Chairman, District III

**Leo V. Jaramillo**  
District I

**James J. Martinez**  
District II

**COUNTY MANAGER**

**Tomas Campos, III**

**DEPUTY MANAGER**

**Leo R. Marquez II**

11.26.2019

**Rio Arriba County**  
**Audit Finding Corrective Action Plan**  
**June 30, 2019**

For the fiscal year ended June 30, 2019 the Rio Arriba County had four findings. A summary of the finding along with the corrective action plan to prevent in the future is detailed below.

**1. 2019-001 – Noncompliance with reporting Requirements (Material Noncompliance) (Primary Government):**

*Agency's Response: see attached response from Delilah Jaramillo,*

**2. 2019-002 – Procurement Policies (Significant Deficiency) (Primary Government and Component Unit):**

Agency's Response: The new guidelines was Commissioned approved and passed during the July 30<sup>th</sup>, 2019 meeting,

**3. 2019-003 – Payment of Goods/Services without Receipt of Goods/Service (Other Matter):**

*Agency's Response: This was addressed and resolved with the New Commissioner James Martinez District II,*

**4. 2019.004 – Pledged Collateral – (Other Matter)**

*Agency's Response: The Treasurers responded to this finding,*

***Findings 2019-001 – 2019-002 -2019-003 – 2019.004***

***All findings will be resolved for the 2020 Audit. The Rio Arriba County will not have a repeat finding from 2019.***

**STATE OF NEW MEXICO**

Rio Arriba County

Other Disclosures

June 30, 2019

**Exit Conference**

An exit conference was held on November 22, 2019. 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  
Gilbert Martinez, Treasurer 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.