

State of New Mexico
San Miguel County
FINANCIAL STATEMENTS
For the Year Ended June 30, 2019



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June 30, 2019

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**San Miguel County, New Mexico
Official Roster
June 30, 2019**

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
Maria L. Martinez		County Commissioner – Madam Chair
Harold M. Garcia		County Commissioner – Vice Chairman
Janice C. Varela		County Commissioner
Max O. Trujillo		County Commissioner
Chris A. Najjar		County Commissioner
Geraldine Gutierrez		County Clerk
Bertha Bustamante		County Treasurer
Connie Gallegos		County Assessor
Chris Lopez		County Sheriff
Dwight Torrez		County Probate Judge

	<u>Administrative Officials</u>	
Vidal Martinez Ed. D.		County Manager
Melinda Gonzalez		Finance Supervisor
Justin Garcia		Chief Deputy

Financial Section

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
The San Miguel County Commissioners
San Miguel County
Las Vegas, 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 San Miguel County, New Mexico (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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of San Miguel County, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Restatement of Net Position

As described in Note 13 to the financial statements, the prior year financial statements have been restated in the amount of (\$406,766) in the governmental activities related to corrections to the County's unearned revenue amounts related to advanced grant funding in the FEMA-DR-4197 special revenue fund. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 11 through 19 the Public Employees Retirement Association (PERA) Pension Plan Schedules required by GASB on pages 86 through 93, and the New Mexico Retiree Healthcare (NMRHCA) Plan Schedules required by GASB on pages 94 through 95, to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor 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*

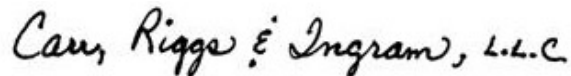
Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Supporting Schedules required by section 2.2.2 NMAC, the Financial Data Schedule as required by the U.S. Department of Housing and Urban Development, and the other disclosures, as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Schedule of Expenditures of Federal Awards, the Supporting Schedules required by section 2.2.2 NMAC, and the Financial Data Schedule as required by the U.S. Department of Housing and Urban Development are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Schedule of Expenditures of Federal Awards, the Supporting Schedules required by section 2.2.2 NMAC, and the Financial Data Schedule as required by the U.S. Department of Housing and Urban Development are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and other disclosures have 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 December 2, 2019, on our consideration of the entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Carr, Riggs & Ingram, LLC
Albuquerque, NM
December 2, 2019

San Miguel County, New Mexico Management's Discussion and Analysis June 30, 2019

We are pleased to present the San Miguel County's (the "County's") financial statements for the fiscal year ended June 30, 2019. Management's discussion and analysis of these statements is also provided to help the reader fully understand the County's financial condition.

FINANCIAL HIGHLIGHTS

- The County's total assets decreased by roughly \$850 thousand during the year. The major decreases were related to a drop in investments of \$325 thousand and in net capital assets of \$1.6 million (from ongoing depreciation being greater than additions) offset by an increase of \$1.1 million in cash (both restricted and unrestricted). The decrease in restricted investments is due to decrease in required debt service due to reduction in loan balances with NMFA.
- The total liabilities decreased by roughly \$480 thousand during the year. The major decrease was tied to decrease in loans, bonds, and capital leases payable payments combined for a reduction of approximately \$1.3 million offset by increase in net pension liability of approximately \$600 thousand and unearned grant revenues of approximately \$400 thousand. The increase in deferred revenues was tied to FEMA Bridge project grant revenues received in advance of incurring costs in accordance with the provider's program.
- Total revenues increased by roughly \$300 thousand from \$17.1 million to \$17.4 million. This increase was due to increases in operating grants of \$680 thousand and increases in property taxes of \$165 thousand which were offset by decrease in gross receipts of \$190 thousand, charges for services of \$159 thousand, and payment in lieu of taxes of \$152 thousand.
- Total expenses increased by approximately \$600 thousand from \$16.7 million to \$17.3 million. This was largely related to increases in general government expenditures of \$264 thousand, public safety expenditures of \$160 thousand, and public works of \$157 thousand.

Overview of the Financial Statements

The County's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator regarding whether or not the financial position of the County is improving or deteriorating.

San Miguel County, New Mexico
Management's Discussion and Analysis
June 30, 2019

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported in a majority by taxes and a minimal amount from other miscellaneous receipts (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the County include the Ribera Housing Fund.

The government-wide financial statements can be found in page 22-25 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *daily inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the County's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains fifty-seven individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, the Fire Districts Special Revenue Fund, the Detention Center Special Revenue Fund, the Road and Health Projects – GRT Capital Projects Fund, and the SMC Debt Service Fund, which are considered major funds. Data from the other fifty two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

San Miguel County, New Mexico
Management's Discussion and Analysis
June 30, 2019

The County adopts an annual appropriated budget for its general fund, capital equipment replacement, special revenue fund, fire, police, GRT, and all other funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the major special revenue governmental fund types with a legally adopted budget include budgetary comparison data. The basic governmental fund financial statements can be found in pages 26-33 of this report.

Proprietary funds. Proprietary funds are generally used to account for operating expenses of the housing authority for rent and other tenant-related revenue including administrative costs, maintenance and repairs, housing assistance payments, bad debt expenses and depreciation. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains one proprietary fund. The proprietary fund is a major fund and can be within the basic financial statements on pages 38-40 of this report. As operations of this program have ceased, there is no change reported from the prior year. The only assets and net position reported are related to the fund's idle land.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County's fiduciary funds account for the collection and payment of property taxes and special fees to other governmental agencies. The basic fiduciary fund financial statement can be found within the basic financial statements on page 41 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-83 of this report.

Combining statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 106-129 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, the net of assets over liabilities, otherwise known as net position, may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$25.6 million at the close of the current fiscal year. The significant portion of the County's net position represents the County's investment of \$25.3 million in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens, so these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

San Miguel County, New Mexico
Management's Discussion and Analysis
June 30, 2019

Statement of Net Position
Governmental Activities

	June 30, 2019	June 30, 2018	Variance
Assets			
Cash and cash equivalents	\$ 8,132,010	\$ 7,048,992	\$ 1,083,018
Investments	1,645,970	1,971,181	(325,211)
Accounts receivable, net	3,701,309	3,701,230	79
Prepaid expenses	294,303	275,049	19,254
Capital assets	73,427,894	72,118,031	1,309,863
Less: accumulated depreciation	(36,081,659)	(33,141,351)	(2,940,308)
Total Assets	51,119,827	51,973,132	(853,305)
Deferred outflows of resources			
Deferred outflows related to pensions	2,097,723	1,890,824	206,899
Deferred outflows related to OPEB	82,252	84,292	(2,040)
Total deferred outflows of resources	2,179,975	1,975,116	204,859
Total assets and deferred outflows of resources	\$ 53,299,802	\$ 53,948,248	\$ (648,446)
Liabilities			
Current liabilities	\$ 3,066,612	\$ 2,802,291	\$ 264,321
Non-current liabilities	22,381,652	23,123,089	(741,437)
Total Liabilities	25,448,264	25,925,380	(477,116)
Deferred inflows of resources			
Deferred inflows related to pensions	523,075	534,784	(11,709)
Deferred inflows related to OPEB	1,067,021	978,282	88,739
Total deferred inflows of resources	1,590,096	1,513,066	77,030
Total liabilities and deferred inflows of resources	27,038,360	27,438,446	(400,086)
Net position			
Net investment in capital assets	25,334,272	25,606,484	(272,212)
Restricted	8,117,197	9,820,859	(1,703,662)
Unrestricted	(7,190,027)	(8,917,541)	1,727,514
Total Net Position	26,261,442	26,509,802	(248,360)
Total liabilities, deferred inflows of resources, and net position	\$ 53,299,802	\$ 53,948,248	\$ (648,446)

San Miguel County, New Mexico Management's Discussion and Analysis June 30, 2019

A portion of the County's governmental restricted net position represents resources that are subject to restrictions related to covenants arising from the County's long-term debt issuance and capital projects. The remaining balance is *unrestricted net position*.

At the end of the current fiscal year, the County is able to report positive balances in the net investment in capital assets and restricted categories of net position for both governmental and business-type activities. Unrestricted net position for the governmental activities is a deficit balance, mainly due to that category being reduced by the net pension liability and net OPEB liability of the County.

Analysis of Changes in Net Position

- The County's net position decreased by \$250 thousand during the fiscal year. This decrease is mainly due to the County's restatement related to reporting unearned grant revenue in the amount of \$400 thousand.

Statement of Activities Governmental Activities

	June 30, 2019	June 30, 2018	Variance
Revenues			
Program revenues:			
Charges for service	\$ 1,905,254	\$ 2,064,805	\$ (159,551)
Operating grants and contributions	3,023,848	2,340,917	682,931
Capital grants and contributions	1,213,962	1,162,240	51,722
General revenues:			
Property	4,435,582	4,270,628	164,954
Gross receipts	5,431,789	5,622,276	(190,487)
Gasoline and auto distribution taxes	237,692	264,837	(27,145)
Other taxes	34,113	29,407	4,706
Investment income	58,817	57,318	1,499
Miscellaneous income	237,976	283,868	(45,892)
Payment in lieu of taxes	888,881	1,040,459	(151,578)
Total Revenues	17,467,914	17,136,755	331,159
Program expenses:			
General government	5,638,562	5,374,544	264,018
Public safety	6,634,503	6,473,878	160,625
Public works	3,135,831	2,978,430	157,401
Culture and recreation	84,837	67,329	17,508
Health and welfare	1,518,613	1,474,653	43,960
Debt issuance costs	297,162	325,416	(28,254)
Total Expenses	17,309,508	16,694,250	615,258
Change in net position	158,406	442,505	(284,099)
Net Position - beginning	26,509,802	31,172,979	(4,663,177)
Net position - restatement (Note 13)	(406,766)	(5,105,682)	4,698,916
Net position- beginning, as restated	26,103,036	26,067,297	35,739
Net Position - ending	\$ 26,261,442	\$ 26,509,802	\$ (248,360)

San Miguel County, New Mexico
Management's Discussion and Analysis
June 30, 2019

Governmental activities.

Tax revenues account for \$10.1 million or 58 percent of governmental revenues. Tax revenues are made up of property, gross receipts, gasoline and motor vehicle and other taxes.

The County's direct charges to users of governmental services made up \$1.9 million or 11 percent of total governmental revenues. These charges are for fees, fines and forfeitures, and licenses and permits.

Business-type activities. Business-type activities for the County's net position had no change as there was no operating and non-operating revenue or expenditures for the year. The County's business-type activities have ceased operations and the only remaining balance is related to idle land.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

Revenues for governmental functions overall totaled approximately \$17.4 million in the fiscal year ended June 30, 2019, which remained consistent compared to the fiscal year ended June 30, 2018 for all governmental functions. Expenditures for governmental functions, totaling \$16.5 million which decreased by approximately \$2.6 million from the fiscal year ended June 30, 2018. This is largely due to capital outlay reduction in the current fiscal year.

The General Fund is the chief operating fund of San Miguel County. It is from here that the County pays for the public safety and other basic services it provides to its citizens. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$2.5 million.

Overall, the general fund's performance resulted in revenues over expenditures in the fiscal year ended June 30, 2019 of \$1.3 million. The County's overall financial position improved with continued music venue for tourists and locals alike bringing in additional gross receipts tax.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for enterprise funds were \$492,993. The total net position for the enterprise funds stayed the same as the prior year.

San Miguel County, New Mexico
Management's Discussion and Analysis
June 30, 2019

Fiduciary Funds. The County maintains fiduciary funds for the assets associated for resources held for the benefit of parties outside the government. Changes to the fiduciary funds were immaterial for the fiscal year.

General Fund Budgetary Highlights

County budgets reflect the same pattern as seen in the revenue and expenditures of the County. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the County level, the County utilizes goals and objectives defined by the County Commission, community input meetings, long term plans and input from various staff groups to develop the County budget. County defines its priorities through this process.

The following table examines the summary budget performance of the general fund for the fiscal year ending June 30, 2019. Detailed budget performance is examined through the Statement of Revenues, Expenditures, and Changes in Fund Balance for the General fund found at the budgetary comparison for the General Fund in the Basic Financial Statements. The County's final budget differs from the original budget due to amendments that were made during the fiscal year and the increase of expenditures. Actual general fund expenditures were \$800 thousand less than budgeted. This was primarily due general government function, the public safety function, and capital outlay expenditures favorable variances as noted in the chart below. The difference between actual expenditures and budgeted expenditures is due to various departments not spending there projected costs along with personnel vacancy savings over the course of the fiscal year.

	Budget Amounts		Actual (GAAP Basis)	Favorable (Unfavorable) Variance
	Original	Final		
Expenditures:				
General government	\$ 4,866,634	\$ 4,924,194	\$ 4,342,230	\$ 581,964
Public safety	907,778	999,984	855,462	144,522
Capital outlay	223,647	182,585	96,259	86,326
Total Expenditures	\$ 5,998,059	\$ 6,106,763	\$ 5,293,951	\$ 812,812

Capital Asset and Debt Administration

Capital assets. The County capital assets for its governmental and business-type activities as of June 30, 2019 amount to \$37 million (net of accumulated depreciation). Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment, and infrastructure. The County's capital assets for the current fiscal year decreased \$1.6 million for governmental activities and there was no increase or decrease for business-type activities (net of accumulated depreciation).

San Miguel County, New Mexico
Management's Discussion and Analysis
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Capital Asset and Debt Administration (Continued)

The significant additions to capital assets during the year were as follows:

- The County had building improvements of \$84 thousand of which \$15 thousand was tied to security improvements to our District Court Building; \$46 thousand of improvements to the Public Works Facility and \$22 thousand to the Sapello Volunteer Fire Department Building.
- The County had an increase of \$272 thousand in vehicles/heavy equipment. Of this \$27 thousand was for the Sheriffs Office; \$31 thousand for the Detention Center; \$10 thousand for Fire Administration and \$151 for Public Works.
- The County had an increase of \$97 thousand in furniture, fixtures and equipment and \$291,116 was reclassified from CIP in the prior year. The \$291,116 is tied to a Polycorb system for our Fire Departments and our Office of Emergency Management. There were also other equipment purchases for the Volunteer Fire Departments as well as our IT Department.
- The County had an increase of \$2.3 million in infrastructure improvements. The county completed various infrastructure projects that were in progress in the prior year and were fully completed this year which includes work to East Pecos B-60, Gallinas A-27, Garrita, Los Vigiles, Ojitos Frios, San Augustine and White Barn.

San Miguel County Capital Assets, Net of Depreciation
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,633,105	\$ 492,993	\$ 2,126,098
Constuction in progress	393,631	-	393,631
Building and improvements	33,098,665	823,610	33,922,275
Infrastructure	20,619,107	-	20,619,107
Vehicles	12,222,745	-	12,222,745
Furniture, fixtures, and equipment	4,214,176	-	4,214,176
Heavy equipment	1,246,465	-	1,246,465
Total capital assets	73,427,894	1,316,603	74,744,497
Less: accumulated depreciation	(36,081,659)	(823,610)	(36,905,269)
Total property, plant and equipment, net of accumulated depreciation	\$ 37,346,235	\$ 492,993	\$ 37,839,228

For government-wide financial statement presentation purposes, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 7 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

San Miguel County, New Mexico
Management's Discussion and Analysis
June 30, 2019

Capital Asset and Debt Administration (continued)

Debt Administration. At the end of the current fiscal year, San Miguel County had total long-term obligations outstanding of \$12.2 million. There was no new debt issued during the year.

San Miguel County Outstanding Debt
June 30, 2019

	Governmental
	Activities
Notes payable	\$ 8,665,505
Bonds payable	3,196,527
Capital leases	32,765
Compensated absences	273,644
	<hr/>
Total long-term liabilities	\$ 12,168,441

The County has a debt limit per state statutes of \$24,574,889. The County's current bonds payable are rated AA by Standard & Poor's.

See Note 8 in the accompanying Notes to the Financial Statements for further information regarding San Miguel County long-term debt.

Economic Outlook

The County knows of no currently known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of San Miguel County finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to San Miguel County – Finance Director, San Miguel County, 500 W National Ave., Suite 304, Las Vegas, New Mexico, 87701, (505) 425-6516.

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Basic Financial Statements

San Miguel County, New Mexico
Statement of Net Position
June 30, 2019

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 7,332,882	\$ -	\$ 7,332,882
Investments	931,992	-	931,992
Taxes receivable, net	3,009,754	-	3,009,754
Intergovernmental receivables	390,825	-	390,825
Other receivables	300,730	-	300,730
Prepaid expenses	294,303	-	294,303
Total current assets	12,260,486	-	12,260,486
Noncurrent assets			
Restricted cash and cash equivalents	799,128	-	799,128
Restricted investments	713,978	-	713,978
Capital assets - not depreciated	2,026,736	492,993	2,519,729
Capital assets	71,401,158	823,610	72,224,768
Less: accumulated depreciation	(36,081,659)	(823,610)	(36,905,269)
Total noncurrent assets	38,859,341	492,993	39,352,334
Deferred outflows of resources			
Deferred outflows related to pensions	2,097,723	-	2,097,723
Deferred outflows related to OPEB	82,252	-	82,252
Total deferred outflows of resources	2,179,975	-	2,179,975
Total assets and deferred outflows of resources	\$ 53,299,802	\$ 492,993	\$ 53,792,795

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 826,958	\$ -	\$ 826,958
Unearned revenue - Grants	408,016	-	408,016
Deposits held in trust for others	13,226	-	13,226
Loans, bonds and capital leases payable	1,344,083	-	1,344,083
Accrued payroll	224,229	-	224,229
Accrued interest	44,864	-	44,864
Accrued compensated absences	205,236	-	205,236
Total current liabilities	3,066,612	-	3,066,612
Noncurrent liabilities			
Loans, bonds and capital leases payable	10,550,714	-	10,550,714
Accrued compensated absences	68,408	-	68,408
Bond premium (Net of accumulated amortization of \$108,670)	117,166	-	117,166
Net pension liability	7,515,731	-	7,515,731
Net OPEB liability	4,129,633	-	4,129,633
Total noncurrent liabilities	22,381,652	-	22,381,652
Deferred inflows of resources			
Deferred inflows related to pensions	523,075	-	523,075
Deferred inflows related to OPEB	1,067,021	-	1,067,021
Total deferred inflows of resources	1,590,096	-	1,590,096
Total liabilities and deferred inflows	27,038,360	-	27,038,360
Net position			
Net investment in capital assets	25,334,272	492,993	25,827,265
Restricted for:			
Debt service	1,170,948	-	1,170,948
Capital projects	1,322,671	-	1,322,671
Special revenue	5,623,578	-	5,623,578
Unrestricted	(7,190,027)	-	(7,190,027)
Total net position	26,261,442	492,993	26,754,435
Total liabilities, deferred inflows of resources, and net position	\$ 53,299,802	\$ 492,993	\$ 53,792,795

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

San Miguel County, New Mexico
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,638,562	\$ 722,509	\$ 269,141	\$ 97,474
Public safety	6,634,503	640,377	1,792,009	387,311
Public works	3,135,831	542,368	167,315	729,177
Culture and recreation	84,837	-	-	-
Health and welfare	1,518,613	-	795,383	-
Interest and other charges	297,162	-	-	-
Total governmental activities	17,309,508	1,905,254	3,023,848	1,213,962
Business-type activities:				
Ribera Housing	-	-	-	-
Total business-type activities	-	-	-	-
Total primary government	\$ 17,309,508	\$ 1,905,254	\$ 3,023,848	\$ 1,213,962

General Revenues

Taxes:

 Property

 Gross receipts

 Gasoline and motor vehicle

 Other taxes

Payment in lieu of taxes

Miscellaneous

Investment income

Total general revenues

Change in net position

Net position - beginning of year, as originally stated

Net position - restatement (Note 13)

Net position - beginning, as restated

Net position - end of year

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (4,549,438)	\$ -	\$ (4,549,438)
(3,814,806)	-	(3,814,806)
(1,696,971)	-	(1,696,971)
(84,837)	-	(84,837)
(723,230)	-	(723,230)
(297,162)	-	(297,162)
(11,166,444)	-	(11,166,444)
-	-	-
-	-	-
(11,166,444)	-	(11,166,444)
4,435,582	-	4,435,582
5,431,789	-	5,431,789
237,692	-	237,692
34,113	-	34,113
888,881	-	888,881
237,976	-	237,976
58,817	-	58,817
11,324,850	-	11,324,850
158,406	-	158,406
26,509,802	492,993	27,002,795
(406,766)	-	(406,766)
26,103,036	492,993	26,596,029
\$ 26,261,442	\$ 492,993	\$ 26,754,435

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

San Miguel County, New Mexico
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Fire Districts - Special Revenue Fund	Detention Center - Special Revenue Fund
Assets			
Cash and cash equivalents	\$ 2,639,439	\$ 1,371,508	\$ 41,316
Investments	-	903,066	-
Taxes receivable, net	1,995,527	51,483	98,519
Intergovernmental receivables	48	18,691	-
Other receivables	700	-	167,423
Prepaid expenses	282,820	2,186	1,818
Due from other funds	71,275	996	28
Total assets	\$ 4,989,809	\$ 2,347,930	\$ 309,104
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 282,146	\$ 105,471	\$ 126,437
Accrued payroll	114,771	-	53,241
Deposits held in trust	-	-	12,445
Unearned revenues - grants	-	-	-
Due to other funds	2,160	-	-
Total liabilities	399,077	105,471	192,123
Deferred inflows of resources			
Unavailable revenue:			
Property taxes	1,725,828	-	-
Total deferred inflows of resources	1,725,828	-	-
Fund balances			
Nonspendable			
Prepaid expenses	282,820	2,186	1,818
Spendable:			
Restricted			
General government	-	-	-
Public safety	-	2,240,273	115,163
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Capital outlay	-	-	-
Unassigned (deficit)	2,582,084	-	-
Total fund balances	2,864,904	2,242,459	116,981
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,989,809	\$ 2,347,930	\$ 309,104

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

Road and Health Projects - GRT Capital Projects Fund		SMC Debt Service Fund	Non-Major Governmental Funds		Total		
\$	467,637	\$	323,204	\$	3,288,906	\$	8,132,010
	713,978		-		28,926		1,645,970
	-		167,718		696,507		3,009,754
	-		-		343,603		362,342
	-		-		161,090		329,213
	-		-		7,479		294,303
	-		-		37,286		109,585
<hr/>							
\$	1,181,615	\$	490,922	\$	4,563,797	\$	13,883,177
<hr/>							
\$	42,949	\$	-	\$	269,955	\$	826,958
	-		-		56,217		224,229
	-		-		781		13,226
	-		-		408,016		408,016
	-		-		107,425		109,585
<hr/>							
	42,949		-		842,394		1,582,014
<hr/>							
	-		-		-		1,725,828
<hr/>							
	-		-		-		1,725,828
<hr/>							
	-		-		7,479		294,303
	-		-		195,682		195,682
	-		-		676,421		3,031,857
	-		-		1,062,967		1,062,967
	-		-		828,371		828,371
	-		-		96,708		96,708
	-		490,922		679,628		1,170,550
	1,138,666		-		182,263		1,320,929
	-		-		(8,116)		2,573,968
<hr/>							
	1,138,666		490,922		3,721,403		10,575,335
<hr/>							
\$	1,181,615	\$	490,922	\$	4,563,797	\$	13,883,177
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The accompanying notes are an integral part of these financial statements.

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**San Miguel County, New Mexico
Governmental Funds**

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2019

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

Fund balances - total governmental funds	\$ 10,575,335
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	37,346,235
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 (Note 11)	2,097,723
Deferred inflows - pension (Note 11)	(523,075)
Deferred outflows - OPEB (Note 12)	82,252
Deferred inflows - OPEB (Note 12)	(1,067,021)
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the statement of activities	1,725,828
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:	
Accrued interest	(44,864)
Some liabilities, including compensated absences, bonds and notes payable, and net pension liability are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued compensated absences	(273,644)
Bond premium	(117,166)
Loans, bonds and capital leases payable	(11,894,797)
Net pension liability	(7,515,731)
Net OPEB Liability	(4,129,633)
Net position - governmental activities	\$ 26,261,442

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

San Miguel County, New Mexico
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

	General Fund	Fire Districts - Special Revenue Fund	Detention Center - Special Revenue Fund
Revenues			
Taxes:			
Property	\$ 4,387,649	\$ -	\$ -
Gross receipts	488,600	197,598	497,653
Gasoline and motor vehicle	82,490	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	1,927	-	-
Federal capital grants	-	-	194,418
State operating grants	219,000	1,499,819	-
State capital grants	-	100,000	-
Payment in lieu of taxes	888,881	-	-
Charges for services	391,976	7,455	603,426
Investment income	8,684	10,855	283
Miscellaneous	46,682	1,446	60,105
Total revenues	6,515,889	1,817,173	1,355,885
Expenditures			
Current:			
General government	4,240,472	-	-
Public safety	861,729	742,294	2,883,489
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	1,162	-	-
Capital outlay	107,844	116,006	-
Debt service:			
Principal	28,751	82,063	-
Interest	6,391	28,889	-
Total expenditures	5,246,349	969,252	2,883,489
Excess (deficiency) of revenues over expenditures	1,269,540	847,921	(1,527,604)
Other financing sources (uses)			
Transfers in	-	154,847	1,475,814
Transfers (out)	(1,722,731)	(57,277)	-
Total other financing sources (uses)	(1,722,731)	97,570	1,475,814
Net change in fund balance	(453,191)	945,491	(51,790)
Fund balance - beginning of year	3,318,095	1,296,968	168,771
Restatement (Note 13)	-	-	-
Fund balance - beginning, as restated	3,318,095	1,296,968	168,771
Fund balance - end of year	\$ 2,864,904	\$ 2,242,459	\$ 116,981

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

Road and Health Projects - GRT - Capital Projects Fund	SMCDF Debt Service Fund	Non-Major Governmental Funds	Total
\$ -	\$ -	\$ -	4,387,649
-	1,103,506	3,144,432	5,431,789
-	-	155,202	237,692
-	-	34,113	34,113
-	-	1,051,982	1,053,909
-	-	191,886	386,304
-	-	251,120	1,969,939
-	-	727,658	827,658
-	-	-	888,881
-	-	902,397	1,905,254
23,083	9,273	6,639	58,817
51,484	-	78,259	237,976
74,567	1,112,779	6,543,688	17,419,981
-	-	345,354	4,585,826
-	-	463,428	4,950,940
10,319	-	2,468,871	2,479,190
-	-	84,837	84,837
-	-	1,517,451	1,518,613
408,651	-	667,362	1,299,863
-	454,033	782,121	1,346,968
-	75,139	186,743	297,162
418,970	529,172	6,516,167	16,563,399
(344,403)	583,607	27,521	856,582
250,000	-	2,595,659	4,476,320
-	(1,198,336)	(1,497,976)	(4,476,320)
250,000	(1,198,336)	1,097,683	-
(94,403)	(614,729)	1,125,204	856,582
1,233,069	1,105,651	3,002,965	10,125,519
-	-	(406,766)	(406,766)
1,233,069	1,105,651	2,596,199	9,718,753
\$ 1,138,666	\$ 490,922	\$ 3,721,403	\$ 10,575,335

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

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San Miguel County, New Mexico
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

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

Net change in fund balances - total governmental funds	\$	856,582
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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 expenditures		1,299,863
Depreciation expense		(2,930,308)

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 for property taxes		47,933
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Governmental funds report district pension 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 contribution		417,731
Pension expense		(934,895)
County OPEB contribution		76,743
OPEB expense		(2,175)

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

Current year amortization of bond premium		11,265
Decrease in accrued interest		2,682
Increase in accrued compensated absences		(33,983)
Principal payments on loans, bonds and capital leases payable		1,346,968

Change in net position of governmental activities	\$	158,406
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The accompanying notes are an integral part of these financial statements.

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San Miguel County, New Mexico
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 Favorable (Unfavorable)
	Original	Final		Final to Actual
Revenues				
Taxes:				
Property	\$ 4,314,000	\$ 4,414,000	\$ 4,339,815	\$ (74,185)
Gross receipts	470,000	485,000	479,999	(5,001)
Gasoline and motor vehicle	78,000	78,000	82,240	4,240
Intergovernmental:				
Federal operating grants	12,500	12,500	3,211	(9,289)
State operating grants	202,000	206,000	219,000	13,000
Payment in lieu of taxes	728,204	728,204	888,881	160,677
Charges for services	424,200	402,400	398,200	(4,200)
Investment income	10,000	10,000	8,684	(1,316)
Miscellaneous	38,630	63,269	62,522	(747)
Total revenues	6,277,534	6,399,373	6,482,552	83,179
Expenditures				
Current:				
General government	4,866,634	4,924,194	4,342,230	581,964
Public safety	907,778	999,984	855,462	144,522
Capital outlay	223,647	182,585	96,259	86,326
Interest	-	-	-	-
Total expenditures	5,998,059	6,106,763	5,293,951	812,812
Excess (deficiency) of revenues over expenditures	279,475	292,610	1,188,601	895,991
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	1,573,830	-	-	-
Proceeds from sale of asset	2,500	-	-	-
Transfers in	-	(20,000)	(20,000)	-
Transfers (out)	(1,855,805)	(1,702,731)	(1,702,731)	-
Total other financing sources (uses)	(279,475)	(1,722,731)	(1,722,731)	-
Net change in fund balances	-	(1,430,121)	(534,130)	895,991
Fund balance - beginning of year	-	-	3,242,684	3,242,684
Fund balance - end of year	\$ -	\$ (1,430,121)	\$ 2,708,554	\$ 4,138,675
Net change in fund balance (non-GAAP budgetary basis)				\$ (534,130)
Adjustments to revenues for property taxes, gasoline and motor vehicle taxes, and state grant revenues				33,337
Adjustments to expenditures for prepaid insurance, utilities, and professional services expenses				47,602
Net change in fund balance (GAAP)				\$ (453,191)

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

San Miguel County, New Mexico
Fire Districts - 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>		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Taxes:				
Property				
Gross receipts	\$ 180,000	\$ 180,000	\$ 179,609	\$ (391)
Gasoline and motor vehicle				
Other				
Intergovernmental:				
State operating grants	1,246,560	1,500,019	1,499,819	(200)
State capital grants	-	100,000	100,000	-
Charges for services	-	-	11,019	11,019
Investment income	8,000	8,000	10,855	2,855
Miscellaneous	500	500	5,944	5,444
Total revenues	1,435,060	1,788,519	1,807,246	18,727
Expenditures				
Current:				
Public safety	2,225,821	2,114,935	853,597	1,261,338
Capital outlay	714,378	1,055,346	55,451	999,895
Principal	82,063	82,063	82,063	-
Interest	29,496	29,496	28,889	607
Total expenditures	3,051,758	3,281,840	1,020,000	2,261,840
Excess (deficiency) of revenues over expenditures	(1,616,698)	(1,493,321)	787,246	2,280,567
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	1,519,128	1,395,751	-	(1,395,751)
Transfers in	154,847	154,847	154,847	-
Transfers (out)	(57,277)	(57,277)	(57,277)	-
Total other financing sources (uses)	1,616,698	1,493,321	97,570	(1,395,751)
Net change in fund balances	-	-	884,816	884,816
Fund balance - beginning of year	-	-	1,390,754	1,390,754
Fund balance - end of year	\$ -	\$ -	\$ 2,275,570	\$ 2,275,570
Net change in fund balance (non-GAAP budgetary basis)				\$ 884,816
Adjustments to revenues for property taxes, motor vehicle taxes, and state grant revenues				(47,350)
Adjustments to expenditures for prepaid insurance, utilities, and professional services expenses				108,025
Net change in fund balance (GAAP)				\$ 945,491

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

San Miguel County, New Mexico
Detention Center - 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>		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Taxes:				
Property				
Gross receipts	\$ 470,000	\$ 485,000	\$ 489,041	\$ 4,041
Federal capital grants	247,000	247,000	247,400	400
Charges for services	785,700	711,850	579,043	(132,807)
Investment income	500	500	283	(217)
Miscellaneous	71,000	62,525	17,119	(45,406)
Total revenues	1,574,200	1,506,875	1,332,886	(173,989)
Expenditures				
Current:				
Public safety	2,930,501	3,064,700	2,879,398	185,302
Total expenditures	2,930,501	3,064,700	2,879,398	185,302
Excess (deficiency) of revenues over expenditures	(1,356,301)	(1,557,825)	(1,546,512)	11,313
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	28,500	82,011	-	(82,011)
Transfers in	1,327,801	1,475,814	1,475,814	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	1,356,301	1,557,825	1,475,814	(82,011)
Net change in fund balances	-	-	(70,698)	(70,698)
Fund balance - beginning of year	-	-	112,042	112,042
Fund balance - end of year	\$ -	\$ -	\$ 41,344	\$ 41,344
Net change in fund balance (non-GAAP budgetary basis)				\$ (70,698)
Adjustments to revenues for property taxes, motor vehicle taxes, and state grant revenues				22,999
Adjustments to expenditures for prepaid insurance, utilities, and professional services expenses				(4,091)
Net change in fund balance (GAAP)				\$ (51,790)

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

San Miguel County, New Mexico
Proprietary Fund
Statement of Net Position
June 30, 2019

	Ribera Housing
<hr/>	
Assets	
Noncurrent assets	
Capital assets - not depreciating	\$ 492,993
Capital assets	823,610
Less accumulated depreciation	(823,610)
<hr/>	
Total noncurrent assets	492,993
<hr/>	
Total assets	\$ 492,993
<hr/> <hr/>	
Net position	
Net investment in capital assets	\$ 492,993
<hr/>	
Total net position	\$ 492,993
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The accompanying notes are an integral part of these financial statements.

San Miguel County, New Mexico
 Proprietary Fund
 Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended June 30, 2019

		Ribera Housing
Operating revenues	\$	-
Total operating revenues		-
Operating expenses		
Depreciation expense		-
Total operating expenses		-
Operating income		-
Change in net position		-
Total net position - beginning of year		492,993
Total net position - end of year	\$	492,993

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

San Miguel County, New Mexico
Proprietary Fund
Statement of Cash Flows
For the Year Ended June 30, 2019

	Ribera Housing
Cash flows from operating activities	\$ -
Net (decrease) increase in cash and cash equivalents	-
Cash and cash equivalents - beginning of year	-
Cash and cash equivalents - end of year	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ -
Net cash provided (used) by operating activities	\$ -

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

San Miguel County, New Mexico
Agency Funds
Statement of Fiduciary Assets and Liabilities
June 30, 2019

Assets	
Cash and cash equivalents	\$ 498,558
Property taxes receivable	4,116,073
<hr/>	
Total assets	\$ 4,614,631
<hr/>	
Liabilities	
Deposits held for others	\$ 488,656
Due to other taxing entities	
Uncollected property taxes	4,106,884
Undistributed property taxes	19,091
<hr/>	
Total liabilities	\$ 4,614,631
<hr/>	

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Miguel County (the “County”) was established by the laws of the Territory of New Mexico of 1876, under the provisions of the act now referred to as Section 4-1-1 of the NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissioners-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.

The 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 the County is presented to assist in the understanding of County’s financial statements. The financial statements and notes are the representation of 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.

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

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, GASB Statement No. 61, and GASB Statement No. 80. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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 no component units and is not a component unit of another governmental agency.

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund 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.

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, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and 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 is 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 and major individual enterprise 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 proprietary fund and 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, net of estimated refunds, 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 imposed by the provider have been met.

San Miguel County, New Mexico
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)*

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

Property taxes, 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, subject to the availability criterion. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion.

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.

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 such as small counties assistance 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.

San Miguel County, New Mexico
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)*

The Proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following:

The County reports the following major governmental funds:

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 *Road and Health Projects Special Revenue Fund* accounts for revenues and expenditures related to road projects and the construction of the Public Health Building. This fund consists of bond revenues and special appropriations which include both state and federal funding. The creation and maintenance of a separate fund was established by County Resolution.

The *Fire Districts Special Revenue Fund* is used to account for the revenues and expenditures associated with the San Miguel County Fire Districts. Funding is from operating grant revenue. The creation and maintenance of a separate fund was established by County Resolution.

The *Detention Center Special Revenue Fund* account for the revenues and expenditures for the San Miguel County Detention Center. The creation and maintenance of a separate fund was established by a County Resolution.

The *SMC Debt Service Fund* accounts for revenues pledged for various debt service projects. It is also used to account for expenditures and/or transfers related to debt services. The creation and maintenance of a separate fund was established by County Resolution.

San Miguel County, New Mexico
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)*

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. 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.

The County reports the following proprietary fund as major fund:

The *Ribera Housing Fund* is the County's only proprietary fund which was used to account for the County's Ribera Housing Authority however, the fund had no operating revenues, non-operating revenue or expenses for the year ended June 30, 2019. Capital assets in this fund are fully depreciated and idle. The remaining value in the fund is land, which the County does not consider to be impaired.

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 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 other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported in the statement of activities.

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 and obligations of the U.S. Government.

Receivables and Payables: Interfund activity is reported as 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 fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources in the event they are not received within 60 days of year end.

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 when levied. Property taxes are considered to be 100% collectible.

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 are considered delinquent 30 days thereafter and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used and restricted for future debt service payments and capital projects.

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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, as a Phase 2 government, the historical cost of infrastructure assets, (retroactive to June 30, 1980) 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 2.20.1.9 C (5). Donated capital assets are recorded at acquisition 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.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest expense capitalized by the County during the current fiscal year. 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 improvements	15-40
Infrastructure	10-80
Vehicles	5-10
Furniture, fixtures and equipment	5-10
Heavy equipment	5-10

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2019, along with applicable FICA and Medicare liabilities.

Deferred Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The County has five types of items present on the statement of net position which arise due to the implementation of GASB Statement No. 68 and the related net pension liability. Accordingly, the items, changes in proportion \$199,375 changes of assumptions \$696,512, difference between expected and actual experience \$230,139, net difference between projected and actual investment earnings on pension plan investments \$553,966, and employer contributions subsequent to measurement date in the amount of \$417,731 are reported on the statement of net position. In addition, the County has two types of this item present on the statement of net position which arises due to the implementation of GASB Statement No. 75 and the related OPEB liability. Accordingly, the items, changes in proportion in the amount of \$5,509 and employer contributions subsequent to measurement date in the amount of \$76,743 are reported on the statement of net position. These amounts will be deferred and recognized as outflows of resources in the appropriate subsequent periods.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The County has one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue - property taxes and unavailable revenue - grants, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County has recorded \$1,725,828 related to property taxes considered "unavailable." In addition, the County has three types of items present on the statement of net position which arise due to the implementation of GASB Statement No. 68 and the related net pension liability. Accordingly, the items, changes in proportion \$235,366, differences between expected and actuarial experience \$244,261, and changes of assumption of \$43,448, are reported on the statement of net position. In addition, the County has three types of items present on the statement of net position which arise due to the implementation of GASB Statement No. 75 and the related OPEB liability. Accordingly, the items, differences between expected and actuarial experience \$244,501, change in assumption \$770,984, and net difference between projected and actual investment earnings \$51,536 are reported on the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned Revenues: Unearned revenues are comprised of payments made in advance by forward funded grants. The County had \$408,016 of unearned revenues as of June 30, 2019.

Compensated Absences: County employees are entitled to certain compensated absences based on their employment classification and length of employment. Earned but unused vacation benefits are accrued when incurred in the government-wide financial statements. Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of 130 to 208 hours, depending upon the employee's length of service. Employees may also earn compensated time as an alternate to overtime payments. A maximum of 30 working days (240) hours of such accumulated annual leave and compensated time may be carried forward into the beginning of the calendar year and any excess is lost.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

When employees terminate, they are compensated for accumulated unpaid annual leave or compensated time up to the maximum of 240 hours. Accumulated annual leave and compensated time is not expected to be liquidated with expendable available financial resources and is reported in the general long-term debt in the statement of net position.

Long-term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. For bonds issued after the County implemented GASB Statement No. 34, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: For restricted fund balance, 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.

For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

For assigned fund balance, the County Commission or an official or body to which the County Commission delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

For the classification of fund balances, the County considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the County considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance: At June 30, 2019, the nonspendable fund balance of the County is comprised of prepaid expenses in the general fund in the amount of \$294,300 which is not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2019, the restricted fund balance on the governmental funds balance sheet is made up of \$7,707,064. The County had no committed fund balance 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 of the General Fund expenditures of \$1,311,5875 and 1/12th of the Road Fund expenditures of \$101,354 for the year ended June 30, 2019.

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

- a. Net investment in capital assets: Consists of capital assets, net of 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: Consists 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, debt service, and capital projects" are described on pages 48 and 101-105.
- c. Unrestricted Net Position: All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (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. Accordingly, actual results could differ from those estimates. Significant estimates in the County's financial statements include the allowance for uncollectible accounts, expected useful lives of capital assets, current portion of accrued compensated absences, and actuarial estimates included in the calculation of the net pension liability and net OPEB liability.

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.

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.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

New Accounting Standards Adopted

During the year ended June 30, 2019, the County adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, and GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. These two statements are required to be implemented as of June 30, 2019, if applicable.

The implementation of these statements did not have a significant impact on the County because the activities of the County were not affected by the statements in a material manner.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

1. The Finance Supervisor submits to the Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the County offices to obtain public comments.
3. The budget is tentatively approved by the Commission, and the Department of Finance and Administration, Local Government Division, ultimately makes the final approval.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.

Formal budgetary integration is employed as a management control device during the year for all funds. A separate budget is prepared, and adopted by the County Commission, for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

The budgets for all funds are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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:

	Excess (deficiency) of	
	revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ 279,475	\$ 292,610
Fire Districts	\$ (1,616,698)	\$ (1,493,321)
Detention Center	\$ (1,356,301)	\$ (1,557,825)
Road and Health Projects - GRT	\$ (1,571,500)	\$ (1,571,499)
SMCDF DSF	\$ 435,827	\$ 504,952
Other governmental funds	\$ (1,848,050)	\$ (2,225,357)

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

Since accounting principles applied for purposes 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 the 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.

NOTE 3: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of County 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 County properly followed State investment requirements as of June 30, 2019.

Deposits of funds may be made in interest bearing or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or are collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance for accounts held by the County.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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.

The County's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be 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 is the risk that in the event of a bank failure, the County'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). At June 30, 2019, \$8,770,108 of the County's bank balance of \$9,330,908 was subject to custodial credit risk. \$6,453,012 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the County's name and \$4,221,295 of the County's deposits was uninsured and uncollateralized at June 30, 2019.

	Community First Bank	Southwest Capital Bank	Wells Fargo	Total
Amount of Deposits	\$ 378,813	\$ 8,891,295	\$ 60,800	\$ 9,330,908
FDIC Coverage	(250,000)	(250,000)	(60,800)	(560,800)
Total uninsured public funds	128,813	8,641,295	-	8,770,108
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	128,813	4,420,000	-	4,548,813
Uninsured and uncollateralized	\$ -	\$ 4,221,295	\$ -	\$ 4,221,295
Collateral requirement (50%)	\$ 64,407	\$ 4,320,648	\$ -	\$ 4,385,055
Pledged Securities	2,033,012	4,420,000	-	6,453,012
Over (under) collateralized	\$ 1,968,605	\$ 99,352	\$ -	\$ 2,067,957

The collateral pledged is listed at the schedule of pledge collateral in this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, District or political subdivision of the State of New Mexico, securities that are guaranteed by the United States or the State of New Mexico, revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service, or letter of credit issued by a federal home loan bank.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to the statement of net position

The carrying amount of deposits shown above are included in the County's statement of net position as follows:

Primary Government

Reconciliation to the Statement of Net Position:

Cash and cash equivalents per statement of net position	\$ 7,332,882
Restricted cash and cash equivalents per statement of net position	799,128
Investments per statement of net position	931,992
Restricted investments per statement of net position	713,978
Agency funds cash per statement of fiduciary assets and liabilities	498,558
<hr/>	
Total cash, cash equivalents and investments	10,276,538
<hr/>	
Add: outstanding checks	350,325
Less: deposits in transit	(68,630)
Less: New Mexico Finance Authority cash and investments	(1,226,405)
Less: petty cash	(920)
<hr/>	
Bank balance of deposits	\$ 9,330,908
<hr/>	

Investments

The County's unrestricted investments at June 30, 2019 are \$931,992 of certificates of deposits with initial maturities that are greater than 90 days and therefore are considered investments in the statement of net position.

In addition, the County has investments which are considered restricted held in U.S. Treasury Money Market Mutual Funds at the Bank of Albuquerque in connection with New Mexico Finance Authority (NMFA) loans.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2019, the County had the following restricted investments and maturities:

Investment Type	Weighted Average Maturities (F)	Fair Value	Rating**
U.S. Treasury Money Market Mutual Fund	<1 year	\$ 713,978	AA+
Investments per Statement of Net Position		\$ 713,978	

* Based on Moody's Rating

** Based on Standard & Poor's rating

The investments are listed on the schedule of deposits and investments of this report. The types of investment, interest rate, maturity date and fair value per security are included in the schedule.

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 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 investment with high credit ratings, the additional concentration is not viewed to be an additional risk by the County. The County's policy related to concentration 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).

NOTE 4: 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 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 Foundation 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.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 4: FAIR VALUE MEASUREMENTS (Continued)

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

The asset 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.

U.S. Treasury Money Market Mutual Funds are valued at the daily closing price as reported by the fund. These investments held by the County are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the County are deemed to be actively traded.

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 \$713,978 in restricted investments in *U.S. Treasury Money Market Mutual Funds* at June 30, 2019, which required fair value disclosure. The County’s certificates of deposit investments are not subject to fair value disclosure.

The following table sets forth by level within the fair value hierarchy of the County’s assets at fair value as of June 30, 2019:

	June 30, 2019			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Money Market Mutual Fund	\$ 713,978	\$ -	\$ -	\$ 713,978
Total Investments	\$ 713,978	\$ -	\$ -	\$ 713,978

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 5: RECEIVABLES

Receivables as of June 30, 2019, are as follows for the governmental activities:

	General Fund	Fire Districts - Special Revenue Fund	Detention Center - Special Revenue Fund
Property tax	\$ 1,891,147	\$ -	\$ -
Gross receipts tax	96,937	51,483	98,519
Gasoline and oil tax	7,443	-	-
Franchise and lodgers tax	-	-	-
Miscellaneous	700	-	-
Charges for service	-	-	167,423
Intergovernmental:			
State	48	-	-
Federal	-	18,691	-
Total	1,996,275	70,174	265,942
Less allowance	-	-	-
Net receivable	\$ 1,996,275	\$ 70,174	\$ 265,942

	SMC Debt Service Fund	Non-Major Governmental Funds	Total
Property tax	\$ -	\$ -	\$ 1,891,147
Gross receipts tax	167,718	653,140	1,067,797
Gasoline and oil tax	-	40,169	47,612
Franchise and lodgers tax	-	3,198	3,198
Miscellaneous	-	31,741	32,441
Charges for service	-	2,343,716	2,511,139
Intergovernmental:			
State	-	102,426	102,474
Federal	-	241,177	259,868
Total	167,718	3,415,567	5,915,676
Less allowance	-	(2,214,367)	(2,214,367)
Net receivable	\$ 167,718	\$ 1,201,200	\$ 3,701,309

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$1,725,828 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 6: TRANSFERS AND INTERFUND RECEIVABLES

Net operating transfers, made to close out funds and to supplement other funding sources, were as follows:

	Transfers In		Transfers Out			
		General Fund	Fire Districts	SMCDF DSF	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ (1,722,731)	\$ -	\$ -	\$ -	\$ (1,722,731)
Fire Districts	154,847	-	(57,277)	-	-	97,570
Detention Center	1,475,814	-	-	-	-	1,475,814
Road and Health Projects	250,000	-	-	-	-	250,000
SMCDF Debt Service Fund	-	-	-	(1,198,336)	-	(1,198,336)
Non-Major Governmental Funds	2,595,659	-	-	-	(1,497,976)	1,097,683
Total	\$ 4,476,320	\$ (1,722,731)	\$ (57,277)	\$ (1,198,336)	\$ (1,497,976)	\$ -

The County records temporary interfund receivables and payables to enable the funds to operate until monies are received. The composition of interfund balances during the year ended June 30, 2019 is as follows:

Due from Other Funds	Due to Other Funds	Amount
DC Annex/CH Remodeling	General Fund	\$ 10,722
Transportation Alternative Program	General Fund	56,322
Community DWI Program	General Fund	817
Juvenile Justice Program	General Fund	534
Justice Assitance Grant Fund	General Fund	2,171
Debt Service Account 3302-PP	Debt Service Account 3464-PP	37,105
Telcote USDA Reserve	Cabo Lucero USDA Reserve	160
Payroll	Crusher	11
General	Gallinas VFD	996
General	Payroll	247
Payroll	General Fund	472
Payroll	Detention	28
		\$ 109,585

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 7: CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows. Land and construction in progress are not subject to depreciation.

Governmental Activities:

	Balance June 30, 2018	Additions	Transfers & Adjustments	Balance June 30, 2019
Capital assets, not depreciated:				
Land	\$ 1,633,105	\$ -	\$ -	\$ 1,633,105
Construction in progress	2,174,964	813,137	(2,594,470)	393,631
Total capital assets, not depreciated	3,808,069	813,137	(2,594,470)	2,026,736
Capital assets, depreciated:				
Buildings and Improvements	33,014,465	84,200	-	33,098,665
Infrastructure	18,283,272	32,481	2,303,354	20,619,107
Vehicles	11,992,697	220,048	10,000	12,222,745
Furniture, Fixtures, and Equipment	3,825,853	97,207	291,116	4,214,176
Heavy Equipment	1,193,675	52,790	-	1,246,465
Total capital assets, depreciated	68,309,962	486,726	2,604,470	71,401,158
Accumulated depreciation:				
Buildings and Improvements	17,975,546	1,319,705	-	19,295,251
Infrastructure	2,444,546	367,177	-	2,811,723
Vehicles	9,192,433	834,984	10,000	10,037,417
Furniture, Fixtures, and Equipment	2,363,732	396,392	-	2,760,124
Heavy Equipment	1,165,094	12,050	-	1,177,144
Total accumulated depreciation	33,141,351	2,930,308	10,000	36,081,659
Net book value	\$ 38,976,680	\$ (1,630,445)	\$ -	\$ 37,346,235

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

Governmental Activities

General government	\$ 649,975
Public safety	1,617,448
Public works	662,885
Total	\$ 2,930,308

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 7: CAPITAL ASSETS (Continued)

Business-Type Activities:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not depreciated:				
Land	\$ 492,993	\$ -	\$ -	\$ 492,993
Total capital assets, not depreciated	492,993	-	-	492,993
Capital assets, depreciated:				
Buildings and Improvements	823,610	-	-	823,610
Total capital assets, depreciated	823,610	-	-	823,610
Accumulated depreciation:				
Buildings Improvements	(823,610)	-	-	(823,610)
Total accumulated depreciation	(823,610)	-	-	(823,610)
Net book value	\$ 492,993	\$ -	\$ -	\$ 492,993

The County had no depreciation expense for business-type activities for the year ended June 30, 2019.

NOTE 8: 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:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year
Notes payable	\$ 9,562,222	\$ -	\$ 896,717	\$ 8,665,505	\$ 887,548
Bonds payable	3,618,027	-	421,500	3,196,527	420,000
Capital leases	61,516	-	28,751	32,765	36,535
Compensated absences	239,661	239,219	205,236	273,644	205,236
Total long-term debt	\$ 13,481,426	\$ 239,219	\$ 1,552,204	\$ 12,168,441	\$ 1,549,319

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 8: LONG-TERM DEBT (Continued)

Revenue Bonds

At June 30, 2019, the County had three revenue bonds outstanding. The revenue bonds are as follows:

Description	Date of Issue	Term	Interest Rate	Original Amount of Issue	Balance June 30, 2019	Source of Pledged Revenues
USDA 9270: Series 2004 Tecolote Fire District Improvement Revenue Bonds	September 2004	20 years	4.00% - 4.25%	150,360	\$ 49,453	State Fire Allotments
USDA 2009: Series 2009 Fire District Fire District Improvement Revenue Bonds	April 2009	20 years	4.50%	167,000	97,074	State Fire Allotments
Gross Receipts Tax Revenue Bonds Series 2011	August 2009	20 years	2.00% - 4.00%	4,980,000	3,050,000	Gross Receipts Tax
					\$ 3,196,527	

Annual requirements to amortize the revenue bond as of June 30, 2019, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 436,500	\$ 125,341	\$ 561,841
2021	458,000	108,541	566,541
2022	473,500	90,941	564,441
2023	489,000	77,291	566,291
2024	210,500	58,491	268,991
2025-2029	1,129,027	157,995	1,287,022
\$ 3,196,527		\$ 618,600	\$ 3,815,127

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 8: LONG-TERM DEBT (Continued)

NMFA Loans

The County entered into eight loan agreements with the New Mexico Finance Authority. The NMFA loans are as follows:

Description	Date of Issue	Term	Interest Rate	Original Amount of Issue	Balance June 30, 2019	Source of Pledged Revenues
NMFA - 3302-PP: Equipment Purchase, 7 Years, LOGRT	July 2015	7 years	2.22%	\$ 835,855	\$ 375,823	Gross Receipts Tax
NMFA - 3615-PP: 2007 Loan Refinance	December 2016	12 years	1.89%	4,563,082	3,680,470	Gross Receipts Tax Local Option Hold Harmless Gross Receipts Tax
NMFA - 3464-PP: County Road Improvement	August 2016	15 years	1.25%	3,882,353	3,252,595	Gross Receipts Tax
NMFA - 3266-PP: Detention Center	January 2015	9 years	1.17%	695,288	378,634	Gross Receipts Tax
NMFA - 2666-PP: General	April 2012	15 years	0.29%	385,417	217,141	Gross Receipts Tax
NMFA - 2689-PP: La Placita VFD	April 2012	10 years	0.00%	45,675	13,699	State Fire Allotments
NMFA - 1735-PP: Rowe	January 2005	20 years	0.73%	225,000	70,891	State Fire Allotments
NMFA - 2523-PP: Sapello 2011	December 2011	21 years	0.89%	446,600	321,577	State Fire Allotments
					\$ 8,310,830	

The annual requirements to amortize the NMFA loan as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 871,049	\$ 121,652	\$ 992,700
2021	892,120	111,435	1,003,555
2022	895,134	100,089	995,223
2023	773,444	88,015	861,459
2024	781,000	78,177	859,177
2025-2029	3,422,167	202,359	3,624,526
2030-2033	675,916	2,848	678,764
		\$ 8,310,830	\$ 9,015,404

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 8: LONG-TERM DEBT (Continued)

Other Loans and Notes Payable

The County entered into three loan agreements with Southwest Capital and NMED. Those loans are as follows:

Description	Date of Issue	Term	Interest Rate	Original Amount of Issue	Balance June 30, 2019	Source of Pledged Revenues
Southwest Capital Loan N/P - Gallinas Fire Dept.	August 2013	5 years	5.25%	318,476	\$ 206,646	N/A
Southwest Capital Loan N/P - Pecos Valley Fire Dept.	May 2014	10 years	5.25%	124,356	83,162	N/A
NMED Note Payable	December 2009	20 years	2.00%	93,965	64,867	N/A
					\$ 354,675	

The annual requirements to amortize the Southwest Capital and NMED loans as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 36,534	\$ 16,737	\$ 53,272
2021	38,295	14,977	53,272
2022	40,222	13,050	53,272
2023	42,210	11,062	53,272
2024	44,302	8,971	53,273
2025-2029	136,628	15,869	152,497
2030-2032	16,484	664	17,147
\$ 354,675		\$ 81,330	\$ 436,005

The County has pledged a portion of future gross receipt tax to repay \$4.9 million in gross receipts tax revenue bonds issued in August 2009 to refinance and discharge certain loans with NMFA originated in 2003 and 2008. The bonds are payable solely from incremental gross receipt taxes generated by retail sales in the County pursuant to the Infrastructure and Capital Outlay Tax Ordinance. The amount of the pledge is equal to the remaining outstanding debt service requirements for those bonds. The pledge continues for the life of the bonds. Total principal and interest remaining on the bonds is 3,603,350, payable through June 2029. For the current year, principal and interest paid and total pledged gross tax receipts were \$538,650 and 559,318, respectively.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 8: LONG-TERM DEBT (Continued)

The County has pledged the Fire Protection Fund Distributions received by the County to repay \$150,360 to finance the acquisition of the fire protection equipment for the Telcote Fire District. The amount of the pledge is equal to the remaining outstanding debt service requirements for those bonds. The pledge continues for the life of the bonds. Total principal and interest remaining on the bonds is \$63,820, payable through June 2024. For the current year, principal and interest paid and total pledged revenues were \$11,303 and 53,945, respectively.

The County has pledged the Fire Protection Fund Distributions received from the County to repay \$167,000 to finance the acquisition, construction, equipping and improvement of fire protection equipment and facilities for the Cabo Lucero Fire Department. The amount of the pledge is equal to the remaining outstanding debt service requirements for those bonds. The pledge continues for the life of the bonds. Total principal and interest remaining on the bonds is \$147,954, payable through June 2028. For the current year, principal and interest paid and total pledged revenues were \$13,088 and 144,714, respectively.

Capital Leases

The County has entered into an agreement to lease copiers for various County facilities. This agreement is, in substance, a purchase (capital lease) and is reported as a capital lease obligation and included in the County's liabilities on the statement of net position.

The following schedule presents future minimum lease payments as of June 30, 2019:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 32,765	\$ 2,377	\$ 35,142
	\$ 32,765	\$ 2,377	\$ 35,142

Compensated Absences

Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2019, compensated absences increased \$33,983 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 9: RISK MANAGEMENT

The County is exposed to various risks of loss from torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the County carries insurance through the New Mexico Self-Insurers' Fund. The following is a summary of some of the more significant insurance coverage information related to the County.

Coverage provided to the County through the New Mexico Self-Insurers' Fund includes tort claim liability limits for casualty coverage (general, automotive, civil rights and public officials' liability) on a "claims made" basis. Property is subject to a limit of \$200,000 per occurrence and a liability losses are subject to a limit of \$400,000 per occurrence and \$10,000,000 in the aggregate. Public officials' errors and omissions, and foreign jurisdiction liabilities are subject to a limit of \$5,000,000 per occurrence and \$6,000,000 in the aggregate.

The County had no significant reductions in insurance coverage form coverage in the three prior years. In the fiscal year ended June 30, 2019, there were no settlements that exceeded insurance coverage.

NOTE 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

- A. Deficit fund balance of individual funds. The following fund had deficit fund balance:

Non Major Funds	
DWI Allocation	\$ (7,834)
Community - DWI Program	(2)
USDA SPEC Building Fund	(280)
Total Governmental Funds	\$ (8,116)

There were no business type funds with a deficit fund balance as of June 30, 2019.

- B. Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary legal level of control is at the fund level. The County had no funds with expenditures in excess of appropriations for the year ended June 30, 2019.
- C. Designated cash appropriations in excess of available balances. There were no funds that had designated cash appropriations in excess of available balances for the year ended June 30, 2019.

NOTE 11: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Summary of Significant Accounting Policies

General Information about the Pension Plan

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

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

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2018 available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

Contributions. The contribution requirements of defined benefit plan members and the County are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY19 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 40 of the PERA FY18 annual audit report at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>. The PERA coverage options that apply to the County are: Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from the County were \$417,731 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2017. The PERA pension liability amounts for each division were 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 June 30, 2018.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 11: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978.

Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. Raton Public Service Company's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2018. Only employer contributions for the pay period end dates that fell within the period of July 1, 2017 to June 30, 2018 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2018 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Municipal General Division, at June 30, 2019, the County reported a liability of \$6,871,735 for its proportionate share of the net pension liability. At June 30, 2017, the County's proportion was 0.4310 percent, which was a decrease of 0.0183 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized PERA Fund Municipal General Division pension expense of \$825,614. At June 30, 2019, the County reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 623,020	\$ 39,510
Net difference between projected and actual investment earnings on pension plan investments	509,643	-
Differences between expected and actual experience	198,607	180,415
Change in proportion	146,389	173,424
San Miguel County's contributions subsequent to the measurement date	373,106	-
Total	\$ 1,850,765	\$ 393,349

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 11: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

\$373,106 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date June 30, 2018 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	\$ 759,046
2019	289,274
2020	10,977
2021	25,013
Thereafter	-

For PERA Fund Municipal Police Division, at June 30, 2019, the County reported a liability of \$644,096 for its proportionate share of the net pension liability. At June 30, 2019, the County's proportion was 0.0944 percent, which was a decrease of 0.0146 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized PERA Fund Municipal Police Division pension expense of \$77,189. At June 30, 2019, the County reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 73,492	\$ 3,938
Net difference between projected and actual investment earnings on pension plan investments	44,323	-
Differences between expected and actual experience	31,532	63,846
Changes in proportion	52,986	61,942
San Miguel County's contributions subsequent to the measurement date	44,625	-
Total	\$ 246,958	\$ 129,726

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 11: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

\$44,625 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date June 30, 2018 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	\$ 60,451
2019	15,438
2020	(5,393)
2021	2,111
Thereafter	-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2017 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2019 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2019. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2017, actuarial valuation.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 11: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

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	4 Year smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for the first 9 years, then 3.25% annual rate
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50% annual rate first 9 years, 2.75% all other years
Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

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

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

ALL FUNDS - 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	20.00	6.48
Total	100.00%	

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 11: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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.

The discount rate used to measure the total pension liability of 7.25 percent was changed from the prior valuation where the discount rate used was 7.51 percent.

Sensitivity of the Employer’s proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the County’s net pension liability in each PERA Fund Division that the County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

PERA Fund Municipal General Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
San Miguel County's proportionate share of the net pension liability	\$ 10,588,884	\$ 6,871,635	\$ 3,798,918

PERA Fund Municipal Police Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
San Miguel County's proportionate share of the net pension liability	\$ 990,354	\$ 644,096	\$ 361,812

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 11: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY18 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. At June 30, 2019 there were no contributions due and payable to PERA for the County.

NOTE 12: OTHER 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.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

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	93,349
	156,025
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	48,756
	93,349

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 \$76,743 for the year ended June 30, 2019.

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 \$4,129,633 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 June 30, 2017. 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, 2019, the County’s proportion was 0.09497 percent.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

For the year ended June 30, 2019, the recognized OPEB expense of \$76,743. At June 30, 2019 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 770,984
Net difference between projected and actual earnings on pension plan investments	-	51,536
Changes in proportion and differences between contributions and proportionate share of contributions	5,509	-
District's contributions subsequent to the measurement date	76,743	-
Difference between expected and actual experience	-	244,501
Total	\$ 82,252	\$ 1,067,021

Deferred outflows of resources totaling \$76,743 represent the County's 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ (269,940)
2020	(269,940)
2021	(269,940)
2022	(208,196)
2023	(43,496)
Total	\$ (1,061,512)

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

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

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
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 on 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.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

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

Asset Class	Long-Term Rate of Return
U.S. core fixed income	2.1%
U.S. equity - large cap	7.1
Non U.S. - emerging markets	10.2
Non U.S. - developed equities	7.8
Private equity	11.8
Credit and structured finance	5.3
Real estate	4.9
Absolute return	4.1
U.S. equity - small/mid cap	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 (3.87%) was applied. Thus, 4.08% is the blended discount rate.

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:

1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
\$ 4,997,828	\$ 4,129,633	\$ 3,445,301

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

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:

1% Decrease	Current Trend Rates	1% Increase
\$ 3,490,987	\$ 4,129,633	\$ 4,630,345

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, 2019.

Payable Changes in the Net OPEB Liability. At June 30, 2019, the County did not have amounts payable to the NMRHCA.

NOTE 13: RESTATEMENT TO PRIOR PERIOD

The objective of a net position restatement is to accurately reflect prior period’s net position and improve the relevancy and usefulness of financial information. The County restated net position in the amount of (\$406,766) related to grant revenues received in advance of allowable costs incurred under the provider’s program. The effect of the restatement is as follows:

	Governmental Activities
Net position - beginning, as originally stated	\$ 26,509,802
Net position - restatement	(406,766)
Net position - beginning, as restated	\$ 26,103,036

NOTE 14: CONTINGENT LIABILITIES

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico Self Insurers Fund. The maximum exposure of the County is not estimable as of June 30, 2019 in the remaining cases.

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 15: FEDERAL AND STATE GRANTS

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 16: CONCENTRATIONS

The County depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the County is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 17: COMMITMENTS

The County's commitments as of June 30, 2019 are as follows:

Commitments			
Contract	Amount	Contract	Amount
HYDRAULIC FOLDING TAIL TRAILER	\$ 84,500	LEGAL SERVICES	16,317
2020 PETERBUILT	124,789	MAINTENANCE CONTRACT	58,826
8TH STREET EXTENSION	38,138	MAINTENANCE SUPPLIES	2,734
ADVERTISEMENTS	981	MEDICAL DIRECTOR	2,169
Animal Control Services	1,850	PEST CONTROL	700
Asphalt	4,066	PHONE SYSTEM SERVICES	4,149
CLOTHING AND UNIFORM	2,511	PLANNING SYSTEM SERVICES	387
COUNTRY ACRES	107,903	POD MODICATION	13,295
DATA SOLUTIONS	18,952	PRINTING SERVICES	6,620
DETENTION CENTER FLOORING IMPROVEMENTS	12,335	RESTUCCO AND LETTERING AT PUBLIC SERVICES BUILI	26,481
DRUG & ALCOHOL COMPLIANCE SERVICES	981	ROCIADA BRIDGE	4,060
EASEMENT	2,933	ROWE FIRE STATION	88,259
EL CAMINO TRAIL & RIVER WALK	12,030	SAFTETY SUPPLIES	980
ENGINEERING SERVICES	57,909	SAN AGUSTING LOW WATER CROSSING	36,110
EVALUATION SERVICES	976	SOLID WATE DISPOSAL	54,533
FIRE FIGHTING GEAR/EQUIPMENT	166,090	SUPPLIES	6,187
FREIGHTLINER 2 DOOR SINGE AXLES	252,439	SURVEILLANCE SYSTEM	3,755
FREIGHTLINER 4 DOOR PUMPLER	149,068	SURVEY	542
HAZARD MITIGATION P[LANNING	33,827	TECOLOTE CREEK	66,037
INMATE HOUSING	880	TOPGRAHIC SURVEY	10,000
INVENTORY LABLES	442	UTILITY TRAILER	2,100
LAS VEGAS/SAN MIGUEL CHAMBER OF COMMERCE	15,000		
Total Commitments			\$ 1,492,842

San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 18: SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosure is December 2, 2019, which is the date on which the financial statements were issued.

NOTE 19: RESTRICTED NET POSITION

The government-wide statement of net position reports \$8,117,197 of restricted net position for governmental activities, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, capital projects, and debt service funds, see pages 48 and 101-105.

NOTE 20: TAX ABATEMENTS

The County of San Miguel had no tax abatements during the year ended June 30, 2019. The County is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 21: SUBSEQUENT PRONOUNCEMENTS

The date to which events occurring after June 30, 2019, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statement or disclosures is October 31, 2019, which is the date on which the financial statements were issued.

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

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

In June 2018, GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier Application is encouraged. The College is still evaluating how this pronouncement will affect the financial statements.



San Miguel County, New Mexico
Notes to Financial Statements
June 30, 2019

NOTE 21: SUBSEQUENT PRONOUNCEMENTS (Continued)

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations*, was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The College is still evaluating how this pronouncement will affect the financial statements.

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Required Supplementary Information

San Miguel County, New Mexico
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*

	2019	2018
	Measurement	Measurement
	Date (As of and	Date (As of and
	for the year	for the year
	ended June 30,	ended June 30,
	2018)	2017)
San Miguel County's proportion of the net pension liability	0.4310%	0.4493%
San Miguel County's proportionate share of the net pension liability	\$ 6,871,735	\$ 6,173,762
San Miguel County's covered payroll	\$ 3,958,974	\$ 3,803,457
San Miguel County's proportionate share of the net pension liability as a percentage of its covered payroll	173.57%	162.32%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%

* 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, San Miguel County will present information for those years for which information is available.

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

2017	2016
Measurement Date (As of and for the year ended June 30, 2016)	Measurement Date (As of and for the year ended June 30, 2015)
0.4282%	0.4176%
\$ 4,055,554	\$ 4,257,794
\$ 3,666,995	\$ 3,454,077
110.60%	123.27%
69.18%	76.99%

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

San Miguel County, New Mexico
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*

	2019	2018
	Measurement	Measurement
	Date (As of and	Date (As of and
	for the year	for the year
	ended June 30,	ended June 30,
	2018)	2017)
San Miguel County's proportion of the net pension liability	0.0944%	0.1090%
San Miguel County's proportionate share of the net pension liability	\$ 644,096	\$ 605,567
San Miguel County's covered payroll	\$ 255,627	\$ 268,952
San Miguel County's proportionate share of the net pension liability as a percentage of its covered payroll	251.97%	225.16%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%

* 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, San Miguel County will present information for those years for which information is available.

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

2017	2016
Measurement Date (As of and for the year ended June 30, 2016)	Measurement Date (As of and for the year ended June 30, 2015)
0.0889%	0.8780%
\$ 403,118	\$ 422,192
\$ 217,065	\$ 212,947
185.71%	198.26%
69.18%	76.99%

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

San Miguel County, New Mexico
Schedule of the County's Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Municipal General Division
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018
Contractually required contribution	\$ 373,106	\$ 378,082
Contributions in relation to the contractually required contribution	(373,106)	(378,082)
Contribution deficiency (excess)	\$ -	\$ -
San Miguel County's covered payroll	\$ 3,906,866	\$ 3,958,974
Contributions as a percentage of covered payroll	9.55%	9.55%

* 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, San Miguel County will present information for those years for which information is available.

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

As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016
\$ 363,230	\$ 350,198
<u>(363,230)</u>	<u>(350,198)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 3,803,457	\$ 3,666,995
9.55%	9.55%

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

San Miguel County, New Mexico
Schedule of the County's Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Municipal Police Division
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018
Contractually required contribution	\$ 44,625	\$ 39,367
Contributions in relation to the contractually required contribution	(44,625)	(39,367)
Contribution deficiency (excess)	\$ -	\$ -
San Miguel County's covered payroll	\$ 289,773	\$ 255,627
Contributions as a percentage of covered payroll	15.40%	15.40%

* 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, San Miguel County will present information for those years for which information is available.

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

As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016
\$ 41,363	\$ 33,428
<u>(41,363)</u>	<u>(33,428)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 268,592	\$ 217,065
15.40%	15.40%

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

San Miguel County, New Mexico
Schedule of Employer's Proportionate Share of the Net OPEB Liability of
New Mexico Retiree Health Care Act Plan
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

	2019	2018
	Measurement	Measurement
	Date	Date
	(As of and for	(As of and for
	the Year Ended	the Year Ended
	June 30, 2018)	June 30, 2017)
San Miguel County's proportion of the net OPEB liability	0.09497%	0.09485%
San Miguel County's proportionate share of the net OPEB liability	\$ 4,129,633	\$ 4,298,292
San Miguel County's covered-employee payroll	\$ 4,212,603	\$ 3,951,117
San Miguel County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	98.03%	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%	11.34%

* 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, San Miguel County will present information for those years for which information is available.

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

San Miguel County, New Mexico
Schedule of Employer Contributions
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018
Contractually required contributions	\$ 76,743	\$ 84,292
Contributions in relation to the contractually required contribution	(76,743)	(84,292)
Contribution deficiency (excess)	\$ -	\$ -
San Miguel County's covered-employee payroll	\$ 4,162,310	\$ 4,214,603
Contributions as a percentage of covered-employee payroll	2.00%	2.00%

* 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, San Miguel County will present information for those years for which information is available.

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

San Miguel County, New Mexico
Notes to Required Supplementary Information
June 30, 2019

Public Employees Retirement Association (PERA) Plan

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY18 CAFR available at <https://www.saonm.org>

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2018 report is available at <http://www.nmpera.org/>

Retiree Health Care Authority (RHCA) Plan

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHC FY18 audit available at <http://nmrhca.orgf>.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2018 report is available at <http://nmrhca.org>. See the notes to the financial statements beginning on page 24 which summarizes actuarial assumptions and methods effective with the June 30, 2017 valuation.

See independent auditors' report.

Supplementary Information

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Nonmajor Governmental Funds

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San Miguel County, New Mexico
Nonmajor Governmental Fund Descriptions
June 30, 2019

SPECIAL REVENUE FUNDS

Road Fund (201) – To account for revenues and expenditures for control of road maintenance. Funding is from state shared revenue. The fund was created by authority of state statute (see Section 7-1-6.19, NMSA 1978 Compilation).

Road Projects – Special Appropriation (202) – To account for the revenues and expenditures associated with road projects around San Miguel County. The creation and maintenance of a separate fund was established by a County Resolution.

Forest Reserve Title III (204) – To account for funds used for purposes indicated in Public Law 106-393.

Disaster Projects (206) – To account for County funds utilized in assisting local communities with natural or man-made disasters. The creation and maintenance of a separate fund was established by a County Resolution 2018-11-13-F2.

Professional Development (208) – To account for funds received to finance predator, weed, rodent, and parasite control on County farms and ranges. Funds are generated from the Taylor Grazing Act fees. This fund was created by the authority of State Statute NMSA 6-11-6.

Federal Disaster Fund (209) – To account for financial aid from the federal government and the local government match required by the funding. This fund was established through Resolution 2014-03-06-F1.

FEMA Disaster Recovery 4197 (231) – To account for grant expenditures under FEMA-DR-4197: to be used to account for expenditures related to the July – August 2014 flash floods. The creation and maintenance of a separate fund was established by County Resolution 2014-12-09-F1.

Farm and Range (301) – To account for revenues and expenditures for control of predatory animals. Funding is from the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. The fund was created by authority of state statute (see Section 6-11-6, NMSA 1978 Compilation).

DWI Allocation (302) – To account for appropriations for the DWI Allocation. These funds provide quality substance abuse treatment, community education, outreach and primary prevention services to citizens of San Miguel County. This fund was created by authority of state statute (see Section 43-3-14 to 15 of the NMSA 1978 Compilations.)

DWI Grant (303) – To account for appropriations for the DWI Grant. These funds provide quality substance abuse treatment, community education, outreach and primary prevention services to citizens of San Miguel County. This fund was created by authority of state statute (see Section 43-3-14 to 15 of the NMSA 1978 Compilations.)

Community – DWI Program (305) – To account for appropriations for the Community DWI Program. These funds provide quality substance abuse treatment, community education, outreach and primary prevention services to citizens of San Miguel County. This fund was created by authority of state statute (see Section 43-3-14 to 15 of the NMSA 1978 Compilations.)

San Miguel County, New Mexico
Nonmajor Governmental Fund Descriptions
June 30, 2019

SPECIAL REVENUE FUNDS (CONTINUED)

DWI Offenders Fees (307) – To account for appropriations for the DWI Offenders Fee funds. These funds provide quality substance abuse treatment, community education, outreach and primary prevention services to citizens of San Miguel County. This fund was created by authority of state statute (see Section 43-3-14 to 15 of the NMSA 1978 Compilations.)

Veteran Transportation Services (309) – To provide the County with funding for transportation expenses associated with assisting veterans of the County to attend medical, dental and vision appointments. The creation and maintenance of a separate fund was established by Resolution 2014-05-30-F2.

Education and Enforcement (310) – To account for appropriations for Selective Traffic Enforcement. These funds provide quality community education, outreach and primary prevention services to citizens of San Miguel County. The fund was created by authority of state statute (see Section 43-3-14 to 15 NMSA 1978 Compilation.).

Child Restraint (314) – To account for the appropriations to educate, enforce and protect occupants and children of motor vehicles in the county of San Miguel regarding seat belt restraint and use. The fund was created by authority of state statute (see Section 131-12-7 NMSA 1978 Compilation.)

Office of Emergency Management (315) – To account for the accumulation of resources and payments related to the operations of the Office of Emergency Management. The creation and maintenance of a separate fund was established by a County Resolution.

FEMA-4199-DR-SM-32 (330) – To account for DHSEM grant expenditures as outlined in the grant agreement. The creation and maintenance of a separate fund was established by County Resolution 2017-02-14-F2.

Department of Homeland Security and Emergency Management (DEHSM) (331) – To account for DHSEM grant expenditures as outlined in the grant agreement. The creation and maintenance of a separate fund was established by County Resolution 2017-09-11-F1.

FEMA-DR-4197 (332) – To account for expenditures associated with the September 2014 floods effecting the San Geronimo Bridge. The creation and maintenance of a separate fund was established by County Resolution 2018-02-13-F1.

Waste Isolation Pilot Project (404) – To account for revenues and expenditures used for purposes of enhancing its hazardous material emergency response capability. The authority to create this fund was done by Resolution 9-9- 2003-F2.

Recording Equipment Fund (405) – To account for revenues and expenditures for control of equipment. The fees collected are restricted in that they may only be used for the purchase of equipment associated with the recording, filing, maintaining or reproducing of documents in the Office of the County Clerk. This fund was created by authority of state statute (see Section 14-8-12.2, NMSA 1978 Compilation.).

San Miguel County, New Mexico
Nonmajor Governmental Fund Descriptions
June 30, 2019

SPECIAL REVENUE FUNDS (CONTINUED)

Recreation Fund (440) – To account for revenues and expenditures related to the County’s Youth recreational activities. Funds are provided by the State shared cigarette tax. The fund was created by authority of state statute (see Section 3-19-9, NMSA 1978 Compilation).

Lodgers Tax Fund (470) – To account for revenues and expenditures for the Lodger’s Tax Fund, which is used to promote economic development in the County. Funding is provided by locally imposed gross receipts tax. The fund was created by authority of state statute (see Section 3-38-24, NMSA 1978 Compilation).

Indigent Fund (480) – To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see Section 7-20E-9, NMSA 1978 Compilation).

Re-Appraisal Fund (490) – To account for funds used to provide valuation services to the County and other local entities. Funding is provided through a 1% administrative charge on property taxes collected (see Section 7-38-38.1, NMSA 1978 Compilation).

Community Projects – Special Appropriation (500) – To account for the revenues and expenditures for Community Projects in San Miguel County. The creation and maintenance of a separate fund was established by a San Miguel County Resolution.

Emergency Medical Services (521-530) – To account for revenues and expenditures for Emergency Medical Services in the communities of El Pueblo, Gallinas, Sapello, Conchas, Ifeld, General, Cabo Lucero, Sheridan, Bernal/Tecolote, and the Ambulance Aid funds. These funds were created by authority of state statute (see Section 24-10A-6, NMSA 1978 Compilation).

Law Enforcement Fund (750) – To account for revenues and expenditures for maintaining and improving the County’s law enforcement department in order to enhance its efficiency and effectiveness. Funding is from the State appropriation authorized by Section 29-13-1 to 9 of NMSA.

Justice Assistance Grant Fund (753) – To account for the Justice Assistance grant expenditures as outlined in the grant agreement. The creation and maintenance of a separate fund was established by County Resolution 2015-09-08-F1.

Sheriff’s Evidence Bank Account (754) – To account for funds collected through a seizure(s) until such a time that a criminal case is closed. The creation and maintenance of a separate fund was established by County Resolution 2017-07-11-F1.

CDBG 02-C-NR-1-6-G-65 Comp Plan (901) - To account for Community Development Block Grant (CDBG) money to be used for construction projects as the grants awarded. The creation and maintenance of the fund was established by final budget approval.

San Miguel County, New Mexico
Nonmajor Governmental Fund Descriptions
June 30, 2019

SPECIAL REVENUE FUNDS (CONTINUED)

CDBG Sabinoso Road Project (906) – To account for Community Development Block Grant (CDBG) money used for the Sabinoso Road Project. This fund was established through Resolution 2011-05-26-F2.

Section 8 Housing (997) – To account for revenues and expenditures of providing rental assistance to low-income citizens of the County. The U.S. Department of Housing and Urban Development provides funding. The fund was created by authority of state statute (see Section 1.19.114, NMSA 1978 Compilation).

Solid Waste (998) – To account for revenues and expenditures for solid waste within San Miguel County. The creation and maintenance of a separate fund was established through County Resolution.

Juvenile Justice Program (308) – To account for juvenile justice program grant expenditures and matching requirements as outlined in the grant agreement. The creation and maintenance of a separate fund was established by County Resolution 2018-08-11-F2.

Mitigation Fund (316) – To account for mitigation grant expenditures and matching requirements as outlined in the grant agreement. The creation and maintenance of a separate fund was established by County Resolution 2018-09-11-F1.

USDA SPEC Building Fund (992) – To account for rental payments received for the use of building acquired through USDA RBEG grant which is called the SPEC building and related expenditures. The creation and maintenance of a separate fund was established by County Resolution 2018-05-09-F2.

CAPITAL PROJECT FUNDS

DC Annex/CH Remodeling (210) – To account for revenues and expenditures related to the Courthouse remodeling project. The creation and maintenance of a separate fund was established by County Resolution.

Vehicle Capital Outlay (220) – To account for the purchases of County Vehicles, previously presented with San Miguel County's general fund. The creation and maintenance of a separate fund was established by County Resolution.

Detention Center Capital Outlay (221) – To account for revenues and expenditures related to the construction of the San Miguel County Detention Center. This fund consists of bonds revenues and special appropriations which include both state and federal funding. The creation and maintenance of a separate fund was established by a County Resolution.

Law Enforcement Capital Outlay (222) – To account for new proceeds and to account for any future funding tied to the Law Enforcement Capital Outlay that is not otherwise required to be accounted for in a separate fund. Established by County Resolution.

San Miguel County, New Mexico
Nonmajor Governmental Fund Descriptions
June 30, 2019

CAPITAL PROJECT FUNDS (CONTINUED)

Public Works Facility (225) – To account for the accumulation of resources and payments related to the Public Works Facility Planning, Design, Construction and Construction Observation.

Crusher Facility and Equipment (230) – To account for the accumulation of resources and payments related to the purchase/lease of property, permitting, planning, designing, purchase of equipment and construction related to the Crusher Facility and Equipment.

Highway Safety Improvement Grant (241) – To account for federal pass through funds through the New Mexico Department of Transportation. The funds are to be used for highway safety initiatives in the County. This fund was established through County Resolution 2011-12-13-F1.

Transportation Alternative Program (TAP) (243) – To account for the TAP funds and required match as outlined in the grant agreement. The creation and maintenance of a separate fund was established by County Resolution 2018-05-09-F1.

DEBT SERVICE FUNDS

Debt Service Account 3302-PP (705) – To account for the 1/12th general purpose gross receipts tax. The proceeds will first be budgeted to pay the annual debt payment tied to the NMFA 3302-PP issue and the remainder of the taxes will be budgeted as transfers out to other funds to be used for the other approved purposes.

Debt Service Account 3464-PP (706) – To account for the proceeds of the Hold Harmless Gross Receipts Tax. The proceeds will first be budgeted to pay the annual debt payments tied to the NMFA 3464-PP issue and the remainder of the taxes will be budgeted as transfers out to other funds to be used for the other approved purposes.

Tecolote USDA Reserve (983) – To ensure that loan installments are paid on time, for emergency maintenance, for extensions of facilities and for replacement of short-lived assets which have a useful life significantly less than the repayment period of the loan. The creation and maintenance of a separate fund was established through resolution 2016-11-08-F1.

Cabo Lucero USDA Reserve (984) – To ensure that loan installments are paid on time, for emergency maintenance, for extensions of facilities and for replacement of short-lived assets which have a useful life significantly less than the repayment period of the loan. The creation and maintenance of a separate fund was established through resolution 2016-11-08-F2.

USDA Vehicle Replacement (993) – To account for revenues and expenditures of the 1997 Series B Revenue Bond Issue. The funds were used for the construction of the detention center. The creation and maintenance of a separate fund was established by a County Resolution.

2003 Revenue Bond/Debt Service (996) – To account for the accumulation of resources and payments of revenue bond principal, interest and administrative fees from pledged County gross receipts tax revenues.

San Miguel County, New Mexico
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2019

	Special Revenue		
	Road Fund	Road Projects - Special Appropriation	Forest Reserve Title III
Assets			
Cash and cash equivalents	\$ 352,439	\$ 640,788	\$ 122,861
Investments	-	-	-
Taxes receivable, net	40,169	-	-
Intergovernmental receivables	-	-	-
Other receivables	4,684	-	-
Prepaid expenses	1,294	-	-
Due from other funds	-	-	-
Total assets	\$ 398,586	\$ 640,788	\$ 122,861
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 16,914	\$ 13,420	\$ -
Accrued payroll	20,259	-	-
Deposits held in trust for others	-	-	-
Unearned revenues - grants	-	-	-
Due to other funds	-	-	-
Total liabilities	37,173	13,420	-
Fund balances			
Nonspendable			
Prepaid expenses	1,294	-	-
Spendable:			
Restricted			
General government	-	-	-
Public safety	-	-	122,861
Public works	360,119	627,368	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Capital outlay	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances	361,413	627,368	122,861
Total liabilities, deferred inflows of resources, and fund balances	\$ 398,586	\$ 640,788	\$ 122,861

See independent auditors' report.

Special Revenue

	Disaster Projects	Professional Development	Federal Disaster Fund	FEMA Disaster Recovery 4197	Farm and Range	DWI Allocation
\$	228,632	\$ 36,509	\$ 5	\$ -	\$ 31,176	\$ 6,172
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	236,999	2,008	-
	-	-	-	-	-	-
	-	2,564	-	-	-	-
	-	-	-	-	-	-
\$	228,632	\$ 39,073	\$ 5	\$ 236,999	\$ 33,184	\$ 6,172
\$	-	\$ -	\$ -	\$ -	\$ 6,580	\$ 7,282
	-	-	-	-	-	6,724
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	6,580	14,006
	-	2,564	-	-	-	-
	228,632	-	5	236,999	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	36,509	-	-	26,604	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	(7,834)
\$	228,632	39,073	5	236,999	26,604	(7,834)
\$	228,632	\$ 39,073	\$ 5	\$ 236,999	\$ 33,184	\$ 6,172

See independent auditors' report.

San Miguel County, New Mexico
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2019

Special Revenue

	DWI Grant	Community - DWI Program	DWI Offenders Fee
Assets			
Cash and cash equivalents	\$ 899	\$ -	\$ 4,543
Investments	-	-	-
Taxes receivable, net	-	-	-
Intergovernmental receivables	1,542	815	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Total assets	\$ 2,441	\$ 815	\$ 4,543
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	1,541	-	-
Deposits held in trust for others	-	-	-
Unearned revenues - grants	-	-	-
Due to other funds	-	817	-
Total liabilities	1,541	817	-
Fund balances			
Nonspendable			
Prepaid expenses	-	-	-
Spendable:			
Restricted			
General government	-	-	-
Public safety	900	-	4,543
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Capital outlay	-	-	-
Unassigned (deficit)	-	(2)	-
Total fund balances	900	(2)	4,543
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,441	\$ 815	\$ 4,543

See independent auditors' report.

Special Revenue							Department of Homeland Security and Emergency Management (DEHSM)	
Veterans Transportation Services	Education and Enforcement	Child Restraint	Office Emergency Management	FEMA-4199-DR- SM-32				
\$ 3,184	\$ 60	\$ 1,067	\$ 35,030	\$ -	\$ -			
-	-	-	-	-	-			
-	-	-	7,522	-	-			
-	-	-	4,663	-	-			
-	-	-	1,064	-	-			
-	-	-	-	-	-			
\$ 3,184	\$ 60	\$ 1,067	\$ 48,279	\$ -	\$ -			
\$ 44	\$ -	\$ -	\$ 163	\$ -	\$ -			
-	-	205	3,596	-	-			
-	-	-	-	-	-			
-	-	-	-	-	-			
44	-	205	3,759	-	-			
-	-	-	1,064	-	-			
-	-	-	-	-	-			
-	60	862	43,456	-	-			
-	-	-	-	-	-			
3,140	-	-	-	-	-			
-	-	-	-	-	-			
-	-	-	-	-	-			
-	-	-	-	-	-			
3,140	60	862	44,520	-	-			
\$ 3,184	\$ 60	\$ 1,067	\$ 48,279	\$ -	\$ -			

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue		
	FEMA-DR-4197	Waste Isolation Pilot Project	Recording Equipment Fund
Assets			
Cash and cash equivalents	\$ 422,772	\$ 7,072	\$ 16,641
Investments	-	-	-
Taxes receivable, net	-	-	-
Intergovernmental receivables	-	-	-
Other receivables	-	-	1,106
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Total assets	\$ 422,772	\$ 7,072	\$ 17,747
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 16,006	\$ 1,338	\$ 17
Accrued payroll	-	-	-
Deposits held in trust for others	-	-	-
Unearned revenues - grants	406,766	-	-
Due to other funds	-	-	-
Total liabilities	422,772	1,338	17
Fund balances			
Nonspendable			
Prepaid expenses	-	-	-
Spendable:			
Restricted			
General government	-	-	17,730
Public safety	-	5,734	-
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Capital outlay	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances	-	5,734	17,730
Total liabilities, deferred inflows of resources, and fund balances	\$ 422,772	\$ 7,072	\$ 17,747

See independent auditors' report.

Special Revenue

Recreation Fund	Lodgers Tax Fund	Indigent Fund	Re-Appraisal Fund	Community Projects - Special Appropriation	Emergency Medical Services
\$ 754	\$ 31,643	\$ 548,521	\$ 178,588	\$ -	\$ 11,837
-	-	-	-	-	-
-	3,198	145,405	-	-	-
-	-	-	-	-	-
-	-	-	1,831	-	-
-	-	-	2,484	-	-
-	-	-	-	-	-
\$ 754	\$ 34,841	\$ 693,926	\$ 182,903	\$ -	\$ 11,837
\$ -	\$ 2,000	\$ 600	\$ 138	\$ -	\$ 130
-	-	-	2,329	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,000	600	2,467	-	130
-	-	-	2,484	-	-
-	-	-	177,952	-	-
-	-	-	-	-	11,707
-	-	-	-	-	-
-	-	693,326	-	-	-
754	32,841	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
754	32,841	693,326	180,436	-	11,707
\$ 754	\$ 34,841	\$ 693,926	\$ 182,903	\$ -	\$ 11,837

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue		
	Law Enforcement Fund	Justice Assistance Grant Fund	Sheriff's Evidence Bank Account
Assets			
Cash and cash equivalents	\$ 1,205	\$ -	\$ 771
Investments	-	-	-
Taxes receivable, net	-	-	-
Intergovernmental receivables	-	2,171	-
Other receivables	19,457	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	10
Total assets	\$ 20,662	\$ 2,171	\$ 781
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Deposits held in trust for others	-	-	781
Unearned revenues - grants	-	-	-
Due to other funds	-	2,171	-
Total liabilities	-	2,171	781
Fund balances			
Nonspendable			
Prepaid expenses	-	-	-
Spendable:			
Restricted			
General government	-	-	-
Public safety	20,662	-	-
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Capital outlay	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances	20,662	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,662	\$ 2,171	\$ 781

See independent auditors' report.

Special Revenue

CDBG 02-C-NR-1-6-G-65 Comp Plan							CDBG Sabinoso Road	Section 8 Housing	Solid Waste	Juvenile Justice Program	Mitigation Fund
\$	10,751	\$	615	\$	103,856	\$	18,508	\$	-	\$	13,750
	-		-		-		-		-		-
	-		-		-		125,999		-		-
	-		-		2,170		-		10,290		-
	-		-		28,483		100,866		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
\$	10,751	\$	615	\$	134,509	\$	245,373	\$	10,290	\$	13,750
\$	6,577	\$	-	\$	2,604	\$	182,883	\$	-	\$	-
	-		-		-		16,354		1,018		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		534		-
	6,577		-		2,604		199,237		1,552		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	4,174		615		-		46,136		8,738		13,750
	-		-		131,905		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	4,174		615		131,905		46,136		8,738		13,750
\$	10,751	\$	615	\$	134,509	\$	245,373	\$	10,290	\$	13,750

See independent auditors' report.

San Miguel County, New Mexico
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2019

	Special Revenue	Capital Projects		
	USDA SPEC Building Fund	DC Annex/CH Remodeling	Vehicle	Capital Outlay
Assets				
Cash and cash equivalents	\$ 970	\$ -	\$ -	83,664
Investments	-	-	-	-
Taxes receivable, net	-	-	-	-
Intergovernmental receivables	-	13,319	-	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 970	\$ 13,319	\$ -	83,664
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	-
Accrued payroll	-	-	-	-
Deposits held in trust for others	-	-	-	-
Unearned revenues - grants	1,250	-	-	-
Due to other funds	-	10,316	-	-
Total liabilities	1,250	10,316	-	-
Fund balances				
Nonspendable				
Prepaid expenses	-	-	-	-
Spendable:				
Restricted				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	3,003	-	83,664
Unassigned (deficit)	(280)	-	-	-
Total fund balances	(280)	3,003	-	83,664
Total liabilities, deferred inflows of resources, and fund balances	\$ 970	\$ 13,319	\$ -	83,664

See independent auditors' report.

Capital Projects

Detention Center Capital Outlay	Law Enforcement Capital Outlay	Public Works Facility	Crusher Facility and Equipment	Highway Safety Improvement Grant	Transportation Alternative Program (TAP)
\$ 9,367	\$ 398	\$ 25,678	\$ 68,898	\$ 316	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	66,767
-	-	-	73	-	-
-	-	-	11	-	-
<u>\$ 9,367</u>	<u>\$ 398</u>	<u>\$ 25,678</u>	<u>\$ 68,982</u>	<u>\$ 316</u>	<u>\$ 66,767</u>
\$ -	\$ -	\$ -	\$ 4,565	\$ -	\$ 8,694
-	-	-	4,191	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	56,322
-	-	-	8,756	-	65,016
-	-	-	73	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	316	1,751
-	-	-	-	-	-
-	-	-	-	-	-
9,367	398	25,678	60,153	-	-
-	-	-	-	-	-
<u>9,367</u>	<u>398</u>	<u>25,678</u>	<u>60,226</u>	<u>316</u>	<u>1,751</u>
<u>\$ 9,367</u>	<u>\$ 398</u>	<u>\$ 25,678</u>	<u>\$ 68,982</u>	<u>\$ 316</u>	<u>\$ 66,767</u>

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Debt Service		
	Debt Service Account 3302- PP	Debt Service Account 3464- PP	Tecolote USDA Reserve
Assets			
Cash and cash equivalents	\$ 115,896	\$ 53,934	\$ -
Investments	-	-	16,355
Taxes receivable, net	42,864	125,307	-
Intergovernmental receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	37,105	-
Total assets	\$ 158,760	\$ 216,346	\$ 16,355
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Deposits held in trust for others	-	-	-
Unearned revenues - grants	-	-	-
Due to other funds	37,105	-	160
Total liabilities	37,105	-	160
Fund balances			
Nonspendable			
Prepaid expenses	-	-	-
Spendable:			
Restricted			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Debt service	121,655	216,346	16,195
Capital outlay	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances	121,655	216,346	16,195
Total liabilities, deferred inflows of resources, and fund balances	\$ 158,760	\$ 216,346	\$ 16,355

See independent auditors' report.

Debt Service

Cabo Lucero USDA Reserve	USDA Vehicle Replacement	98A Bond Issue	2003 Revenue Bond/Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 99,136	\$ 3,288,906
12,571	-	-	-	28,926
-	-	-	213,565	696,507
-	-	-	-	343,603
-	-	-	-	161,090
-	-	-	-	7,479
160	-	-	-	37,286
\$ 12,731	\$ -	\$ -	\$ 312,701	\$ 4,563,797
\$ -	\$ -	\$ -	\$ -	\$ 269,955
-	-	-	-	56,217
-	-	-	-	781
-	-	-	-	408,016
-	-	-	-	107,425
-	-	-	-	842,394
-	-	-	-	7,479
-	-	-	-	195,682
-	-	-	-	676,421
-	-	-	-	1,062,967
-	-	-	-	828,371
-	-	-	-	96,708
12,731	-	-	312,701	679,628
-	-	-	-	182,263
-	-	-	-	(8,116)
12,731	-	-	312,701	3,721,403
\$ 12,731	\$ -	\$ -	\$ 312,701	\$ 4,563,797

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	<u>Special Revenue</u>		
	Road Fund	Road Projects - Special Appropriation	Forest Reserve Title III
Revenues			
Taxes:			
Gross receipts	\$ -	\$ -	\$ -
Gasoline and motor vehicle	155,202	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	167,315	-	38,201
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	-	630,184	-
Charges for services	300,489	-	-
Investment income (loss)	-	-	-
Miscellaneous	8,535	-	-
Total revenues	631,541	630,184	38,201
Expenditures			
Current:			
General government	-	-	209,033
Public safety	-	-	-
Public works	1,210,356	2,538	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	5,890	159,415	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	1,216,246	161,953	209,033
Excess (deficiency) of revenues over expenditures	(584,705)	468,231	(170,832)
Other financing sources (uses)			
Transfers in	595,364	112,112	-
Transfers (out)	-	-	-
Total other financing sources (uses)	595,364	112,112	-
Net change in fund balance	10,659	580,343	(170,832)
Fund balance - beginning of year	350,754	47,025	293,693
Restatement (Note 13)	-	-	-
Fund balance - beginning, as restated	350,754	47,025	293,693
Fund balance - end of year	\$ 361,413	\$ 627,368	\$ 122,861

See independent auditors' report.

Special Revenue

Disaster Projects	Professional Development	Federal Disaster Fund	FEMA Disaster Recovery 4197	Farm and Range	DWI Allocation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	27,030	-	-	2,008	-
-	27,030	-	-	2,008	165,792
22,182	-	-	-	-	-
-	-	-	-	-	179,278
-	-	-	1	-	-
-	21,250	-	-	6,580	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,182	21,250	-	1	6,580	179,278
(22,182)	5,780	-	(1)	(4,572)	(13,486)
250,000	-	50	171,969	-	-
-	-	-	-	-	-
250,000	-	50	171,969	-	-
227,818	5,780	50	171,968	(4,572)	(13,486)
814	33,293	(45)	65,031	31,176	5,652
-	-	-	-	-	-
814	33,293	(45)	65,031	31,176	5,652
\$ 228,632	\$ 39,073	\$ 5	\$ 236,999	\$ 26,604	\$ (7,834)

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue		
	DWI Grant	Community - DWI Program	DWI Offenders Fee
Revenues			
Taxes:			
Gross receipts	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	31,542	7,386	-
State capital grants	-	-	-
Charges for services	-	-	34,346
Investment income (loss)	-	-	-
Miscellaneous	-	-	55
Total revenues	31,542	7,386	34,401
Expenditures			
Current:			
General government	-	-	-
Public safety	31,309	6,534	37,606
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	31,309	6,534	37,606
Excess (deficiency) of revenues over expenditures	233	852	(3,205)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	233	852	(3,205)
Fund balance - beginning of year	667	(854)	7,748
Restatement (Note 18)	-	-	-
Fund balance - beginning, as restated	667	(854)	7,748
Fund balance - end of year	\$ 900	\$ (2)	\$ 4,543

See independent auditors' report.

Special Revenue							Department of Homeland Security and Emergency Management (DEHSM)
Veterans Transportation Services	Education and Enforcement	Child Restraint	Office Emergency Management	FEMA-4199-DR- SM-32			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	32,099	-	-	-
-	-	-	-	-	-	-	34,820
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	46,702	-	-	-
-	-	-	-	78,801	-	-	34,820
-	-	-	-	1,212	-	-	-
-	-	204	124,149	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,916	-	-	-	-	-	-	-
-	-	-	-	-	-	-	34,820
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,916	-	204	125,361	-	-	-	34,820
(1,916)	-	(204)	(46,560)	-	-	-	-
-	-	-	56,059	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	56,059	-	-	-	-
(1,916)	-	(204)	9,499	-	-	-	-
5,056	60	1,066	35,021	-	-	-	-
-	-	-	-	-	-	-	-
5,056	60	1,066	35,021	-	-	-	-
\$ 3,140	\$ 60	\$ 862	\$ 44,520	\$ -	\$ -	\$ -	-

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	<u>Special Revenue</u>		
	<u>FEMA-DR-4197</u>	<u>Waste Isolation Pilot Project</u>	<u>Recording Equipment Fund</u>
Revenues			
Taxes:			
Gross receipts	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	-	7,000	-
Charges for services	-	-	25,194
Investment income (loss)	-	-	-
Miscellaneous	-	-	-
Total revenues	-	7,000	25,194
Expenditures			
Current:			
General government	253	1,338	-
Public safety	-	(1)	-
Public works	-	-	18,903
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	40,783	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	41,036	1,337	18,903
Excess (deficiency) of revenues over expenditures	(41,036)	5,663	6,291
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(41,036)	5,663	6,291
Fund balance - beginning of year	447,802	71	11,439
Restatement (Note 18)	(406,766)	-	-
Fund balance - beginning, as restated	41,036	71	11,439
Fund balance - end of year	\$ -	\$ 5,734	\$ 17,730

See independent auditors' report.

Special Revenue						
Recreation Fund	Lodgers Tax Fund	Indigent Fund	Re-Appraisal Fund	Community Projects - Special Appropriation	Emergency Medical Services	
\$ -	\$ -	\$ 732,899	\$ 110,328	\$ -	\$ -	
-	-	-	-	-	-	-
-	34,113	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	3,020
-	-	-	-	-	-	-
-	71	533	-	-	-	-
-	370	-	-	-	-	-
-	34,554	733,432	110,328	-	-	3,020
-	-	-	95,913	-	-	-
-	-	-	-	-	-	4,215
-	-	-	-	-	-	-
-	57,007	-	-	-	-	-
-	-	746,523	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	57,007	746,523	95,913	-	-	4,215
-	(22,453)	(13,091)	14,415	-	-	(1,195)
-	-	185,000	-	-	-	-
-	-	-	-	-	-	-
-	-	185,000	-	-	-	-
-	(22,453)	171,909	14,415	-	-	(1,195)
754	55,294	521,417	166,021	-	-	12,902
-	-	-	-	-	-	-
754	55,294	521,417	166,021	-	-	12,902
\$ 754	\$ 32,841	\$ 693,326	\$ 180,436	\$ -	\$ -	\$ 11,707

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	<u>Special Revenue</u>		
	Law Enforcement Fund	Justice Assistance Grant Fund	Sheriff's Evidence Bank Account
Revenues			
Taxes:			
Gross receipts	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	43,657	-	-
State capital grants	-	-	-
Charges for services	-	-	-
Investment income (loss)	-	-	-
Miscellaneous	-	-	-
Total revenues	43,657	-	-
Expenditures			
Current:			
General government	-	-	-
Public safety	42,995	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	42,995	-	-
Excess (deficiency) of revenues over expenditures	662	-	-
Other financing sources (uses)			
Transfers in	20,000	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	20,000	-	-
Net change in fund balance	20,662	-	-
Fund balance - beginning of year	-	-	-
Restatement (Note 18)	-	-	-
Fund balance - beginning, as restated	-	-	-
Fund balance - end of year	\$ 20,662	\$ -	\$ -

See independent auditors' report.

Special Revenue

CDBG 02-C-NR- 1-6-G-65 Comp Plan	CDBG Sabinoso Road	Section 8 Housing	Solid Waste	Juvenile Justice Program	Mitigation Fund
\$ -	\$ -	\$ -	\$ 115,494	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	795,383	-	10,290	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	542,368	-	-
-	-	86	-	-	-
-	-	2,832	(16,654)	-	-
-	-	798,301	641,208	10,290	-
-	-	-	-	15,424	-
-	-	-	-	-	-
6,578	-	-	978,017	-	-
-	-	-	-	-	-
-	-	769,012	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,578	-	769,012	978,017	15,424	-
(6,578)	-	29,289	(336,809)	(5,134)	-
-	-	-	182,709	13,872	13,750
-	-	-	-	-	-
-	-	-	182,709	13,872	13,750
(6,578)	-	29,289	(154,100)	8,738	13,750
10,752	615	102,616	200,236	-	-
-	-	-	-	-	-
10,752	615	102,616	200,236	-	-
\$ 4,174	\$ 615	\$ 131,905	\$ 46,136	\$ 8,738	\$ 13,750

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>		
	USDA SPEC Building Fund	DC Annex/CH Remodeling	Vehicle	Capital Outlay
Revenues				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	32,138	-	58,336
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	1
Miscellaneous	7,370	-	-	-
Total revenues	7,370	32,138	-	58,337
Expenditures				
Current:				
General government	-	(1)	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	7,650	48,241	-	231,575
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	7,650	48,240	-	231,575
Excess (deficiency) of revenues over expenditures	(280)	(16,102)	-	(173,238)
Other financing sources (uses)				
Transfers in	-	-	-	250,000
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	250,000
Net change in fund balance	(280)	(16,102)	-	76,762
Fund balance - beginning of year	-	19,105	-	6,902
Restatement (Note 18)	-	-	-	-
Fund balance - beginning, as restated	-	19,105	-	6,902
Fund balance - end of year	\$ (280)	\$ 3,003	\$ -	\$ 83,664

See independent auditors' report.

Capital Projects

Detention Center Capital Outlay	Law Enforcement Capital Outlay	Public Works Facility	Crusher Facility and Equipment	Highway Safety Improvement Grant	Transportation Alternative Program (TAP)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	8,694
-	-	-	-	98,993	58,073
-	-	-	-	(277)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	11	-	-
-	-	-	11	98,716	66,767
-	-	-	-	-	-
37,222	(83)	-	-	-	-
-	-	-	252,478	-	-
-	-	-	-	-	-
53,411	-	-	-	-	76,664
-	-	-	-	-	-
-	-	-	-	-	-
90,633	(83)	-	252,478	-	76,664
(90,633)	83	-	(252,467)	98,716	(9,897)
100,000	-	25,000	275,000	-	-
-	-	-	-	-	-
100,000	-	25,000	275,000	-	-
9,367	83	25,000	22,533	98,716	(9,897)
-	315	678	37,693	(98,400)	11,648
-	-	-	-	-	-
-	315	678	37,693	(98,400)	11,648
\$ 9,367	\$ 398	\$ 25,678	\$ 60,226	\$ 316	\$ 1,751

See independent auditors' report.

San Miguel County, New Mexico
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Debt Service		
	Debt Service Account 3302- PP	Debt Service Account 3464- PP	Tecolote USDA Reserve
Revenues			
Taxes:			
Gross receipts	\$ 303,972	\$ 830,706	\$ -
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	-	-	-
Charges for services	-	-	-
Investment income (loss)	2,856	2,941	99
Miscellaneous	-	-	-
Total revenues	306,828	833,647	99
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	121,524	251,265	-
Interest	8,850	42,859	-
Total expenditures	130,374	294,124	-
Excess (deficiency) of revenues over expenditures	176,454	539,523	99
Other financing sources (uses)			
Transfers in	183,174	159,170	1,160
Transfers (out)	(296,864)	(637,500)	-
Total other financing sources (uses)	(113,690)	(478,330)	1,160
Net change in fund balance	62,764	61,193	1,259
Fund balance - beginning of year	58,891	155,153	14,936
Restatement (Note 18)	-	-	-
Fund balance - beginning, as restated	58,891	155,153	14,936
Fund balance - end of year	\$ 121,655	\$ 216,346	\$ 16,195

See independent auditors' report.

Debt Service				
Cabo Lucero USDA Reserve	USDA Vehicle Replacement	98A Bond Issue	2003 Revenue Bond/Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,051,033	\$ 3,144,432
-	-	-	-	155,202
-	-	-	-	34,113
-	-	-	-	1,051,982
-	-	-	-	191,886
-	-	-	-	251,120
-	-	-	-	727,658
-	-	-	-	902,397
51	-	-	1	6,639
-	-	-	-	78,259
51	-	-	1,051,034	6,543,688
-	-	-	-	345,354
-	-	-	-	463,428
-	-	-	-	2,468,871
-	-	-	-	84,837
-	-	-	-	1,517,451
-	8,913	-	-	667,362
-	-	-	409,332	782,121
-	-	-	135,034	186,743
-	8,913	-	544,366	6,516,167
51	(8,913)	-	506,668	27,521
1,270	-	-	-	2,595,659
-	-	-	(563,612)	(1,497,976)
1,270	-	-	(563,612)	1,097,683
1,321	(8,913)	-	(56,944)	1,125,204
11,410	8,913	-	369,645	3,002,965
-	-	-	-	(406,766)
11,410	8,913	-	369,645	2,596,199
\$ 12,731	\$ -	\$ -	\$ 312,701	\$ 3,721,403

See independent auditors' report.

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Supporting Schedules

San Miguel County, New Mexico
Schedule of Deposit and Investment Accounts
June 30, 2019

Bank Account Type/Name	Account Type	Bank Balance	Deposits in Transit
Community First Bank			
Property Tax Account	Demand Account	\$ 378,813	\$ 34,857
Total Community First Bank		378,813	34,857
Southwest Capital Bank			
Construction Project Fund	Demand Account	584	-
Detention Center	Demand Account	75,177	1,060
El Valle	Demand Account	5,931	-
Clerks E-Recordings	Demand Account	7,076	-
Lodgers	Demand Account	37,043	-
Indigent	Demand Account	650,623	-
SMC Fire District	Demand Account	1,442,155	150
Pecos Property Tax Acct	Demand Account	-	-
Gross Receipts Tax	Demand Account	286,701	-
General Fund Acct	Demand Account	5,299,972	4,163
Sheriff's Evidence Act	Demand Account	771	-
Payroll Account	Demand Account	19,963	9,880
Federal Housing	Demand Account	45,465	-
Writ of Execution Act	Demand Account	500	-
Detention Center- Inmate Agency Fund	Agency Fund	83,731	18,520
Employee - Agency Fund	Agency Fund	3,611	-
General Fund CD	CD	12,571	-
General Fund CD	CD	16,355	-
General Fund CD	CD	306,350	-
General Fund CD	CD	596,716	-
Total Southwest Capital Bank		8,891,295	33,773
Wells Fargo			
Section 8 Program	Demand Account	60,800	-
Total Wells Fargo		60,800	-
Subtotal		9,330,908	68,630

See independent auditors' report.

Outstanding Checks	Totals
\$ 2,133	\$ 411,537
<u>2,133</u>	<u>411,537</u>
-	584
34,921	41,316
-	5,931
-	7,076
5,400	31,643
102,102	548,521
59,614	1,382,691
-	-
-	286,701
89,697	5,214,438
-	771
28,748	1,095
-	45,465
-	500
25,191	77,060
110	3,501
-	12,571
-	16,355
-	306,350
-	596,716
<u>345,783</u>	<u>8,579,285</u>
<u>2,409</u>	<u>58,391</u>
<u>2,409</u>	<u>58,391</u>
<u>350,325</u>	<u>9,049,213</u>

See independent auditors' report.

San Miguel County, New Mexico
Schedule of Deposit and Investment Accounts
June 30, 2019

Bank Account Type/Name	Account Type	Bank Balance	Deposits in Transit
NMFA			
SANNMIGUEL 8 Cash - Debt Servicing	NMFA Cash	\$ -	\$ -
SANNMIGUEL 11 Cash - Debt Servicing	NMFA Cash	204	-
SANNMIGUEL 17 Cash - Debt Servicing	NMFA Cash	-	-
SANNMIGUEL 22 Cash - Debt Servicing	NMFA Cash	-	-
SANNMIGUEL 18 Cash - Debt Servicing	NMFA Cash	370	-
SANNMIGUEL 19 Cash - Debt Servicing	NMFA Cash	79	-
SANNMIGUEL 20 Cash - Debt Servicing	NMFA Cash	30,371	-
SANNMIGUEL 20 Reserve Funds Payable	NMFA Cash	6,716	-
SANNMIGUEL 23 Cash - Debt Servicing	NMFA Cash	16,860	-
SANNMIGUEL 23 Reserve Funds Payable	NMFA Cash	71,049	-
SANNMIGUEL 24 Cash - Debt Servicing	NMFA Cash	30,482	-
SANNMIGUEL 24 Reserve Funds Payable	NMFA Cash	85,414	-
SANNMIGUEL 25 Cash - Debt Servicing	NMFA Cash	920,283	-
SANNMIGUEL 25 Reserve Funds Payable	NMFA Cash	53,785	-
SANNMIGUEL 27 Cash - Debt Servicing	NMFA Cash	2,567	-
SANNMIGUEL 27 Program Cash	NMFA Cash	8,225	-
Total NMFA		1,226,405	-
Total Deposits		\$ 10,557,313	\$ 68,630

Add: Petty Cash

Less: Restricted cash and cash equivalents per statement of net position

Less: Investments and restricted investments per statement of net position

Les: Agency cash per statement of fiduciary assets and liabilities

Total unrestricted cash and cash equivalents per statement of net position

See independent auditors' report.

Outstanding Checks	Totals
\$ -	\$ -
-	204
-	-
-	-
-	370
-	79
-	30,371
-	6,716
-	16,860
-	71,049
-	30,482
-	85,414
-	920,283
-	53,785
-	2,567
-	8,225
-	<u>1,226,405</u>
<u>\$ 350,325</u>	<u>10,275,618</u>
	920
	(799,128)
	(1,645,970)
	<u>(498,558)</u>
	<u>\$ 7,332,882</u>

See independent auditors' report.

San Miguel County, New Mexico
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2019

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number
Community First Bank			
	FHLMC FIXED RATE NOTE	1/13/2022	3137EADB2
	GEN ELEC CAP CRP FLOATER NOTE	4/15/2020	36966THX3
<hr/>			
Total Community First Bank			
<hr/>			

Name and location of safekeeper for above pledged collateral:
Federal Reserve Bank of Boston - Boston, MA

Southwest Capital Bank			
	FHLB-Letter of Credit	1/27/2020	LOC 3544000001
	FHLB-Letter of Credit	1/27/2020	LOC 3544000001
	FHLB-Letter of Credit	1/27/2020	LOC 3544000001
	FHLB-Letter of Credit	1/27/2020	LOC 3544000001
	FHLB-Letter of Credit	1/27/2020	LOC 3946000009
<hr/>			
Total Southwest Capital Bank			
<hr/>			

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank of Dallas - Irving, TX

Total Pledged Collateral

See independent auditors' report.

Fair Market Value
June 30, 2019

\$	1,026,416
	1,006,596
	<u>2,033,012</u>

	240,000
	3,100,000
	300,000
	660,000
	120,000
	<u>4,420,000</u>

\$	<u><u>6,453,012</u></u>
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See independent auditors' report.

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San Miguel County, New Mexico
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

	Treasurer Fund	El Valle Foundation Fund	Employee Fund	Inmate Trust Fund	Balance June 30, 2019
Assets, July 1, 2018	\$ 4,238,525	\$ 5,929	\$ 3,056	\$ 93,557	\$ 4,341,067
Increase	15,357,590	2	2,224	11,023	15,370,839
Decrease	(15,068,505)	-	(1,779)	(27,021)	(15,097,305)
Assets, June 30, 2019	\$ 4,527,610	\$ 5,931	\$ 3,501	\$ 77,559	\$ 4,614,601
Liabilities, July 1, 2018	\$ 4,238,525	\$ 5,929	\$ 3,056	\$ 93,557	\$ 4,341,067
Increase	15,357,590	2	2,224	11,023	15,370,839
Decrease	(15,068,505)	-	(1,779)	(27,021)	(15,097,305)
Liabilities, June 30, 2019	\$ 4,527,610	\$ 5,931	\$ 3,501	\$ 77,559	\$ 4,614,601

See independent auditors' report.

**San Miguel County, New Mexico
Schedule of Joint Power Agreements
For the Year Ended June 30, 2019**

Participants	Responsible Party	Description
San Miguel County/ New Mexico Commissioner of Public Lands	SMC	Right-of-way for County Roads
San Miguel County/ NMDOT, programs division traffic safety division	DWI	funding to reduce DWI in SMC
San Miguel County/ Luna Community College	Detention	Classes for nurses
San Miguel County/ SMC Family & Community Health Council	SMC	services rendered to residents of SMC
Economic Development Cooperation/ San Miguel County	EDC	LEDA Funds
Union County/ San Miguel County	Union County	Confinment of prisoners out of Union County
San Miguel County/ Patrick W. Snedeker	SMC	Contract for Jail Administrator
Colfax County/ San Miguel County	Detention	Housing of Colfax County prisoners
NMDOT/ San Miguel County	Sheriff Dept	Funding for reducing traffic related injuries and death
San Miguel County/ City of Las Vegas	SMC	transfer of vehicle title for senior program
Town of Taos/ San Miguel County	Detention	housing of Town of Taos Prisoners
Taos County/ San Miguel County	Detention	Taos County to house Juvenile Detainees from SMC
Las Vegas Juvenile justice Continuum Board/ San Miguel County	Detention	Continuum Coordinator Position
NM Dept. of Game and Fish/ San Miguel County	Public Works	Operation of solid waste collection
San Miguel County/ NM Dept. of Homeland Security & Emergency Management	OEM	grant for Hazardous materials emergency preparedness program
San Miguel County/ New Mexico Highlands University	SMC	Catering Services for food market research project
San Miguel County/NMDOT	Public Works	2013 Road Log
San Miguel County/ NM Dept. of Homeland Security & Emergency Management	OEM	2010 Interoperable Emergency Communications Grant Program
San Miguel County/ City of Las Vegas	SMC	City of Las Vegas to serve as fiscal Agent for San Miguel County Family & Community Health Council

See independent auditors' report.

Beginning Date	Ending Date	Project Amount	Audit Responsibility
			SMC
7/1/2018	6/30/2018	\$ 7,386.00	SMC
1/22/2012	1/22/2013	\$ 2,569.00	SMC
7/1/2012	6/30/2013	\$ 5,000.00	SMC
8/14/2012		\$ 70,000.00	SMC
8/14/2012	8/14/2013	80.00 per day/ 20.00 booking fee per inmate	SMC
10/19/2012	10/19/2014	\$ 71,583.75	SMC
10/9/2012	10/9/2013	80.00 per day/ 20.00 booking fee per inmate	SMC
12/11/2013	9/30/2013	\$ 6,560.00	SMC
10/17/2012			SMC
12/11/2012	12/11/2013	65.00 Per day/ 20.00 booking fee per inmate	SMC
12/31/2012	12/31/2013	120.00 per day/10.00 booking fee	SMC
1/1/2013	6/30/2013	\$ 189,666.00	SMC
12/21/2012		\$ 216,000.00	SMC
12/13/2012	9/30/2013	\$ 15,000.00	SMC
8/1/2012	3/1/2013	\$ 3,500.00	SMC
2/12/2013			
2/1/2013	5/15/2013	\$ 3,138.98	SMC
7/1/2013	6/30/2013	\$ 50,000.00	SMC

See independent auditors' report.

**San Miguel County, New Mexico
Schedule of Joint Power Agreements
For the Year Ended June 30, 2019**

Participants	Responsible Party	Description
San Miguel County/ NMDOT	Public Works	Ammendment to Cooperative Project Agreement
San Miguel County/ Superior Ambulance Service Agreement	SMC	Ambulance Service Agreement
San Miguel County/ United World College	Public Works	Solid Waste Services
San Miguel County/ 4th Judicial District CASA Program	SMC	Housing for CASA program Staff
Ageement for use of Our Lady of Sorrows Parish Parking Area---SMC and Our Lady of Sorrows Parish	SMC	Use of Parking Areas
Solid Waste Services Agreement---SMC and Las Vegas NM KOA Campgrounds	SMC	Rent of Trash Bins
Contratual Agreement---SMC and Luna Community College	SMC	Providing educational services for the NM Detention Cnter Training Academy Program
Extension of Agreeemnt/Contract for Inmate Confinement (4th Extension)---SMC and City of Las Vegas	SMC	Confinement of Inmates
Extension of Agreement/Contract for Inmate Confinement (3rd Extension)---SMC and Harding County	SMC	Confinement of Inmates
Agreement Between San Miguel County and AFSCME Council 18	SMC	Union Agreement
Extension of Agreement/Contract for Inmate Confinement (2nd Extension)---SMC and City of Espanola	SMC	Inmate Confinement
Memorandum of Agreement between SMC and City of Las Vegas	SMC	Compensating the City of Las Vegas for professional services rendered and to be rendered to the residents of San Miguel County.
Animal Control Services Agreement between the AWC of Las Vegas and SMC	SMC	Animal Control Services
Addendum to Joint Power Agreement between Guadalupe County and SMC	SMC	Solid Waste Collection in Tecolotito New Mexico

See independent auditors' report.

Beginning Date	Ending Date	Project Amount	Audit Responsibility
3/9/2012		\$ 36,533.00	SMC
4/1/2013		\$108,000 annual eastern portion of County, \$42,700 annual for Western Portion of County	SMC
5/15/2013		2 Containers at 173.02 a month	SMC
5/1/2013			SMC
7/1/2018	6/30/2019	\$4,500.00 year	SMC
6/6/2013		\$55.62 Monthly plus tax	SMC
7/1/2013	6/30/2014		SMC
6/11/2013		\$80.00 per inmate	SMC
6/11/2014		\$45.00 per inmate as well as a \$20 Booking Fee	SMC
7/2/2013	6/30/2014		SMC
7/9/2013		\$80.00 Per Inmate plus \$20.00 Booking Fee	SMC
7/1/2013	6/30/2014	\$ 5,000	SMC
9/12/2013		\$ 20,000	SMC
11/1/2013		\$ 21,000	SMC

See independent auditors' report.

San Miguel County, New Mexico
Schedule of Joint Power Agreements
For the Year Ended June 30, 2019

Participants	Responsible Party	Description
Memorandum of Understanding Between the US Fish and Wildlife Service and the Arizona Counties of Apache, Cochise, Coconino, Gila, Mohave and Santa Cruz and the New Mexico Counties of Catron, Ciola, Grant, Hildago, Lincoln, Los Alamos, Luna, McKinely, Mora, San Juan, San Miguel, Santa Fe Sierra and Valencia	SMC	Signatory entites to contribje to the preparation of an Enviornmental Impact Statment
Renewal Agreement for the Contract for Inmate Confinement Between SMC and Colfax County	SMC	Inmate Confinement
Memorandum of Agreement by and between San Miguel County and the City of Las Vegas	SMC	Transfer of ownership of Senior Citizen equipment
Memorandum of Agreeemmnt Between Pocitical Subdivisions---SMC and Village of Pecos	SMC	To permit Villiage of Pecos to provide Fire and Emergency Services
San Miguel/Mora County Fairgrounds Lease Agreement	SMC	Lease Agreement
MOA Bernalillo County and San Miguel County	SMC	Running of Section 8 Housing
Contractual Agreement for Award and Expenditure of Lodgers' Tax Funds---Las Vegas/San Miguel Chamber of Commerce	SMC	Printing and Advertising
Contract for Library Services---New Mexico State Department of Cultural Affairs State Library Division and SMC	SMC	Library Services through the Bookmobile
Contractual Agreement for Award and Expenditure of Lodgers' Tax Funds---SMC and San Miguel/Mora Fair Board	SMC	Advertising, publicizing and promotions
Contract for Employment for Jail Adminsitrator/Warden October 2014 through October 2016	SMC	Employment Contract
Service Agreement---Bernalillo County and San Miguel County	SMC	Administration of San Miguel County Section 8 Housing
Animal Sheltering Services Agreement between the Animal Welfare Coalition of Northeastern New Mexico and San Miguel County	SMC	Housing of Animals

See independent auditors' report.

Beginning Date	Ending Date	Project Amount	Audit Responsibility
10/8/2013			SMC
9/24/2013		\$80.00 Per Inmate plus and \$20.00 Booking Fee	SMC
10/8/2013			SMC
9/1/2013			SMC
8/20/2013	5/15/2014	\$750.00 per month	SMC
1/1/2014	6/1/2014	\$ 24,000.00	SMC
7/1/2013	6/30/2014	\$ 1,000.00	SMC
7/1/2014	6/30/2015	\$ 3,000.00	SMC
7/1/2014	6/30/2015	\$ 2,500.00	SMC
10/1/2014	10/31/2016	\$ 75,943.19	SMC
9/1/2014	Until mutually agreed upon	\$7,000.00 Monthly	SMC
1/7/2015	6/30/2015	\$1,850.00 every 30 days	SMC

See independent auditors' report.

San Miguel County, New Mexico
Schedule of Joint Power Agreements
For the Year Ended June 30, 2019

Participants	Responsible Party	Description
Grant Agreement---New Mexico Department of Transportation and San Miguel County	SMC	Community Driving While Impaired (CDWI)
Contratual Agreement for Award and Expenditure of Lodgers' Tax---Las Vegas/San Miguel Chamber of Commerce and San Miguel County	SMC	Contratual Agreement for Award and Expenditure of Lodgers' Tax
Memorandum of Understanding Between The Las Vegas/San Miguel County Office of Emergency and the City of Las Vegas	SMC	Memo of Understanding for LVPD Communication Center Upgrade
Memorandum of Agreement between Luna Community College and San Miguel County Detention Center	SMC	Agreement to provide GED Prep to students detained at SMCDC
Project Participation Agreement between SMC, EDC and Old Wood	SMC	EDC was approved and disigated by SMC to develop the County's Wood Business Park
Primary Lease between San Miguel County and EDC	SMC	EDC was approved and designated by SMC to develop the County's Wood Business Park
Inter Governmental Service Agreement between NMDPS and SMC	SMC	DPS is a qualified Law Enforcement Agency that provides Emergency Dispatch Services
MOU between SMC and SMC Family Health Council	SMC	Collaborative efforts to improve the health of the San Miguel County Community
Consultation Agreement by and between SMC and EDC	SMC	Economic Services in San Miguel County
Consultation Agreement by and between SMC and MainStreet de Las Vegas	SMC	Economic Services in San Miguel County
Grant Agreement by and between SMC and NMDOT	SMC	CDWI Project no. 16-DC-05-087
San Miguel County Ordinance No. SMC-11-10-15 Animal Control providing for Animal Control	SMC	Animal Control Services
Consultation Agreement by and between SMC and EDC	SMC	Economic Services in San Miguel County
Consultation Agreement by and between SMC and the Center of Southwest Culture	SMC	Economic Services in San Miguel County

See independent auditors' report.

Beginning Date	Ending Date	Project Amount	Audit Responsibility
12/18/2014	6/30/2015	\$ 11,927.00	SMC
7/1/2014	6/30/2015	\$ 3,500.00	SMC
8/12/2014		\$ 130,000.00	SMC
6/23/2015	6/30/2016		SMC
8/14/2015			SMC
8/14/2015			SMC
7/13/2015	7/12/2017		SMC
7/1/2015	6/30/2016	\$ 33,750.00	SMC
11/19/2015	6/1/2016	\$ 30,000.00	SMC
11/19/2015	6/1/2016	\$ 10,000.00	SMC
10/26/2015	6/30/2016	\$ 8,724.00	SMC
11/12/2015			SMC
11/19/2015	6/1/2015	\$ 30,000.00	SMC
11/10/2016	6/1/2015	\$ 20,000.00	SMC

See independent auditors' report.

**San Miguel County, New Mexico
Schedule of Joint Power Agreements
For the Year Ended June 30, 2019**

Participants	Responsible Party	Description
Contract for Library Services---New Mexico State Department of Cultural Affairs State Library Division and SMC	SMC	Library Services through the Bookmobile
Addendum Ambulance Services by and between SMC and Superior Ambulance Services, Inc	SMC	Ambulance Services
MOU between SMC and SMC Family Health Council	SMC	Collaborative efforts to improve the health of the San Miguel County Community
MOA Bernalillo County and San Miguel County	SMC	Running of Section 8 Housing
MOU New Mexico Highlands University & San Miguel County	SMC	Streaming the County Commissioner Meetings Via Comcast & Via web streaming video
Joint Powers Agreement between the City of Las Vegas and San Miguel County		Establish extraterritorial zoning for that area of the County of San Miguel
Joint Powers Agreement between San Miguel County and the City of Las Vegas	SMC	Emergency Management Services
1st Extension- Care of Prisoners agreement - Colfax County	SMC	Providing for housing and care of Colfax County
3rd Extension Agreement Contract- Care of Prisoners- City of Las Vegas and San Miguel County	SMC	Providing for housing and care of City of Las Vegas Municipal Court Arest
Agreement- Care of Prisoner(s) Contract- Taos, County, New Mexico and San Miguel County	SMC	Providing for housing and care of Taos County inmates
Memorandum of Agreement-Adult Education/Literacy Improvement/Work Rediness Classes-San Miguel County Detention Center	SMC	For the Detainees at the San Miguel County Detention Center
Sameritan House/ San Miguel County	SMC	Providing ervices for thesick and indigent in the county
NMSU Cooperative Extension Services	SMC	Providing 4-H Services to youth in the county
El Valle Community Center/San Miguel County	SMC	Library Servicesfor the Valley
Ribera Comminity Center/ San Miguel County	SMC	Purachase of equipment and operational funds

See independent auditors' report.

Beginning Date	Ending Date	Project Amount	Audit Responsibility
7/1/2018	6/30/2019	\$ 3,000.00	SMC
4/1/2016		\$108,000.00 plus \$42,700.00 annually	SMC
7/1/2018	6/30/2019	\$ 10,000.00	SMC
7/1/2018	6/30/2019	\$7,000.00 per month	SMC
4/3/2017	4/3/2019		
10/17/1984			
8/9/2011			SMC
10/10/2017	10/10/2018	\$90.00 per/day inmate \$20.00 booking fee	SMC
10/10/2017	10/10/2018	\$90.00 Per day/Inmate	SMC
8/8/2017	8/8/2018	\$90.00 per/day inmate \$20.00 booking fee	SMC
7/1/2017	6/30/2018		
7/1/2018	6/30/2019	\$ 30,000.00	
7/1/2018	6/30/2019	\$35,322.00 total Paid out every quarter	
7/1/2018	6/30/2018	\$32,500.00 year	
7/1/2018	6/30/2018	\$10,000.00 year	

See independent auditors' report.

**San Miguel County, New Mexico
Schedule of Joint Power Agreements
For the Year Ended June 30, 2019**

Participants	Responsible Party	Description
San Miguel County/ Superior Ambulance Service Agreement	SMC	Ambulance Service Agreement
Ageement for use of Our Lady of Sorrows Parish Parking Area---SMC and Our Lady of Sorrows Parish	SMC	Use of Parking Areas
Animal Control Services Agreement between the AWC of Las Vegas and SMC	SMC	Animal Control Services
Addendum to Joint Power Agreement between Guadalupe County and SMC	SMC	Solid Waste Collection in Tecolotito New Mexico
Agreemnt/Contract for Inmate Confinement --- SMC and City of Las Vegas	SMC	Confinement of Inmates
Contract for Inmate Confinement ---SMC and Harding County	SMC	Confinement of Inmates
Service Agreement---Bernalillo County and San Miguel County	SMC	Administration of San Miguel County Section 8 Housing
Contract for Library Services---New Mexico State Department of Cultural Affairs State Library Division and SMC	SMC	Library Services through the Bookmobile
MOU between SMC and SMC Family Health Council	SMC	Collaborative efforts to improve the health of the San Miguel County Community
MOU New Mexico Highlands University & San Miguel County	SMC	Streaming the County Commissioner Meetings Via Comcast & Via web streaming video
Joint Powers Agreement between San Miguel County and the City of Las Vegas	SMC	Emergency Management Services
Sameritan House/ San Miguel County	SMC	Providing ervices for thesick and indigent in the county
NMSU Cooperative Extension Services	SMC	Providing 4-H Services to youth in the county
El Valle Community Center/San Miguel County	SMC	Library Servicesfor the Valley
Ribera Comminity Center/ San Miguel County	SMC	Purachase of equipment and operational funds
City of Las Vegas/San Miguel County	City of Las Vegas	Senior Program

See independent auditors' report.

Beginning Date	Ending Date	Project Amount	Audit Responsibility
4/1/2013		\$108,000 annual eastern portion of County, \$42,700 annual for Western Portion of County	SMC
7/1/2018	6/30/2019	\$4,500.00 year	SMC
9/12/2013	9/1/2019	\$1,850/month	SMC
11/1/2013		\$21,000.00	SMC
		\$80.00 per inmate	SMC
		\$45.00 per inmate as well as a \$20 Booking Fee	SMC
9/1/2014	Until mutually agreed upon	\$7,000.00 Monthly	SMC
7/1/2018	6/30/2019	\$3,000.00	SMC
7/1/2018	6/30/2019	\$10,000.00	SMC
4/3/2017	4/3/2019		SMC
8/9/2011			SMC
7/1/2018	6/30/2019	\$ 30,000.00	SMC
7/1/2018	6/30/2019	\$35,322.00 total Paid out every quarter	SMC
7/1/2018	6/30/2019	\$32,500.00 year	SMC
7/1/2018	6/30/2019	\$10,000.00 year	SMC
7/1/2018	6/30/2019	\$75,000 year	SMC

See independent auditors' report.

San Miguel County, New Mexico
Financial Data Schedule
June 30, 2019

Line Item Number	Description		Housing Choice Vouchers Program 14.871
113	Cash - Other Restricted	\$	103,856
100	Total Cash		103,856
122	Accounts Receivable - HUD Other Projects		1,538
125	Accounts Receivable - Miscellaneous		2,730
128	Fraud Recovery		26,385
120	Total Receivables, Net of Allowance for Doubtful Accounts		30,653
150	Total Current Assets		134,509
190	Total Assets		134,509
312	Accounts Payable <= 90 Days	\$	2,604
310	Total Current Liabilities		2,604
300	Total Liabilities		2,604
400	Deferred Inflows of Resources		-
511	Restricted Net Position		131,905
513	Total Equity/Net Position		131,905
600	Total Liabilities and Equity/Net Position	\$	134,509

See independent auditors' report.

San Miguel County, New Mexico
Financial Data Schedule
June 30, 2019

Line Item Number	Description		Housing Choice Vouchers Program 14,871
70600	HUD PHA Operating Grants	\$	795,383
71100	Investment Income - Unrestricted		86
71400	Fraud Recovery		2,832
70000	Total Revenue		798,301
91300	Outside Management Fees		84,000
91900	Other Operating - Administrative		2,543
91000	Total Operating - Administrative		86,543
96900	Total Operating Expenses		86,543
97000	Excess Operating Revenue Over Operating Expenses		711,758
97300	Housing Assistance Payments		682,469
90000	Total Expenses	\$	769,012
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses		29,289
11030	Beginning Equity		102,616
11000	Ending Equity (deficit)	\$	131,905
11190	Unit Months Available		2,124
11210	Number of Unit Months Leased		1,684

See independent auditors' report.

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Compliance Section

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
The San Miguel County Commissioners
San Miguel County
Las Vegas, 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 for the General Fund and major special revenue funds of San Miguel County, New Mexico (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 December 2, 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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items NM 2004-004, NM 2019-001, and NM 2019-002.

County's Response to Findings

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

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 2, 2019

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Federal Financial Assistance

REPORT ON COMPLIANCE FOR THE 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
The United States Office of Management and Budget and
The San Miguel County Commissioners
San Miguel County
Las Vegas, New Mexico

Report on Compliance for the Major Federal Program

We have audited San Miguel 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 the County's major federal programs for the year ended June 30, 2019. The County's major federal program is 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 program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Carr, Riggs & Ingram, L.L.C

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 2, 2019

San Miguel County, New Mexico
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Funding Source/Grant or Contact Name	CFDA Number	Pass-Through Grant Number
U.S. Department of Agriculture		
Passed through the NM Department of Finance and Administration		
Cooperative Forestry Assistance	10.664	N/A
Schools and Roads - Grants to States	10.665	N/A
Total U.S. Department of the Agriculture		
U.S. Department of Transportation		
Passed through the NM Department of Transportation		
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A
Total U.S. Department of Transportation		
U.S. Department of Housing and Urban Development		
Direct Funding		
Section 8 Choice Vouchers Program (1)(*)	14.871	N/A
Total Housing Voucher Cluster		
Total U.S. Department of Housing and Urban Development		
U.S. Department of Homeland Security Federal Emergency Management Agency		
Passed through the NM Department of Homeland Security and Emergency Management		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EME 2016-W
Emergency Management Performance Grant Program	97.042	EMT-2017
Total U.S. Department of Homeland Security Federal Emergency Management Agency		
U.S. Department of Health and Human Services		
Falling Colors, ASO For NM Behavioral Health		
Opioid STR	93.788	Not Available
Total U.S. Department of Health and Human Services		
Total Federal Financial Assistance		

(*) Denotes Major Federal Program

(1) Housing Voucher Cluster

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

<u>Expenditures</u>	<u>Funds Provided to Subrecipients</u>	<u>Noncash Assistance</u>
\$ 18,691		
\$ 209,034	\$ -	\$ -
227,725	-	-
205		
205	-	-
798,302	-	-
798,302	-	-
798,302	-	-
75,858	-	-
31,984	-	-
107,842	-	-
194,418	-	-
194,418	-	-
\$ 1,328,492	\$ -	\$ -

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

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San Miguel County, New Mexico
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of San Miguel County (the "County") and is presented on a modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements except for the proprietary funds. 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").

2. Loans

The County had no federal loans for the year ended June 30, 2019.

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.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,328,492
Total expenditures funded by other sources	15,234,907
<hr/>	
Total expenditures	<u>\$ 16,563,399</u>

See independent auditors' report.

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San Miguel County, New Mexico
Schedule of Findings and Questioned Costs
June 30, 2019

SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS

NM 2004-004 (FS 2004-004) County Treasurer’s Property Tax Schedule Not Included (Repeated/Modified) – Other Noncompliance

Condition: The County doesn’t present the ten year property tax schedule and it is not presented as a supporting schedule to the financial statements.

Status of Prior Year Finding: The County has transitioned into the new property tax software, and is working diligently to recover data for the prior years to be reported to complete the 10 year schedule.

Criteria: State Audit Rule 2.2.2 12D requires a “tax roll reconciliation of changes in the county treasurer’s property taxes receivable” for the most recent fiscal year ended, and a total for the previous nine fiscal years, and a “county treasurer’s property tax schedule.”

Effect: The County is not in compliance with the State Audit Rule.

Cause: The County’s accounting software does not have ten years of information necessary to complete the schedule.

Auditors’ Recommendation: We recommend that the County implement a plan in order to obtain the information necessary and input that information into their new accounting software. In addition, we recommend the County use this information to complete the property tax schedules required by the State Audit Rule.

Agency’s Response: When the Treasurer’s Office was in the process of transitioning to the new system, Tyler informed us there is no way that they could pull over the history as to the original charges billed for the years that we were transitioning to the new system.

This year, the Tax Processor III gathered various documents to put this information together. First, she had to recreate one of the existing years through our current software to verify her methodology. She was able to do this for one of the tax years under the current system. She was in discussion with the software provider to resolve the amount billed for one of the taxing entities. At this point in time, she is still waiting to hear from the computer company.

After the first half of property taxes are done, she will be focusing her time to calculate the amount billed for the years that rolled over to from the old system. The receivables from the old system rolled over, but not the amount billed to each district. She will use the info she used to verify her methodology to rebuild the missing years and will utilize old reports to balance to.

We are confident that this can take place by the end of the current fiscal year, June 30, 2020.

The County Treasurer and the Tax Processor III will work on this during FY19/20.

San Miguel County, New Mexico
Schedule of Findings and Questioned Costs
June 30, 2019

SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

NM 2019-001 — Stale Dated Checks – Other Noncompliance

Condition: The County had six long-outstanding checks totaling \$553.74 which are over one year old on their bank reconciliation for the general fund.

Criteria: New Mexico Statutes, Section 6-10-57 A, NMSA, 1978 compilation, requires local public bodies to cancel or void any checks that are unpaid for one year after it is written. 6-10-57 C NMSA, 1978 states that the face amount of warrants cancelled shall revert and be credited to the fund against which it was drawn.

Effect: The County's cash balance may be misstated by the amount of the stale checks, and is not in compliance with Section 6-10-57 A, NMSA, 1978.

Cause: The timing of the County's annual review for stale dated checks allowed for checks to be outstanding longer than one year as of June 30, 2019.

Auditors' Recommendations: We recommend that the County alter the timing of their annual review for stale dated checks to be performed each June as part of the fiscal year-end close. We also recommend that the County consider performing this review on a more frequent basis, possibly semi-annually or quarterly as a means to manage stale dated checks.

Agency Response: The June bank statements did reflect the six items totaling \$553.74 with check dates ranging from 7/20/2017 through 12/1/2017. These should have been addressed within the fiscal year under audit. Some of these items were addressed in September 2019 and some of them are still in the process. The process is for the Finance Supervisor to take note of these items during the reconciliation review and provide them to the Finance Specialist in charge of Accounts Payable. The Accounts Payable personnel submits letters to the vendors seeing if there is a reason they have not been cashed and actually giving them another opportunity to cash them before they are turned over to the state as unclaimed property.

The Finance Supervisor will continue to monitor these stale dated items and the Accounts Payable personnel will complete the process. The Finance Supervisor will ensure that the process is completed in a timely manner.

San Miguel County, New Mexico
Schedule of Findings and Questioned Costs
June 30, 2019

SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

NM 2019-002 — Mileage and Per Diem Act – Other Noncompliance

Condition: Out of five transactions tested, there was one transaction totaling \$53.00 where a County employee was reimbursed at a higher rate for out of town meals (\$33.33) than the allowable amount (\$30.00), which resulted in an overpayment of \$3.33.

Criteria: The Per Diem and Mileage Act, Section 10-8-1 to 10-8-8, NMSA 1978 documents the requirements required by the Act. Such requirements include:

1. With prior written approval of the secretary or the secretary's designee or the local public body, a nonsalaried public officer of a state agency or local public body, a salaried public officer of a state agency or local public body, or a salaried employee of a state agency or local public body is entitled to per diem expenses under this subsection and shall receive:
 - a. Reimbursement for actual expenses for lodging; and
 - b. Reimbursement for actual expenses for meals not to exceed \$30.00 per day for in-state travel and \$45.00 per day for out of state travel

Effect: The County did not comply with the Mileage and Per Diem Act and reimbursed more meal expense than is allowed in a 24 hour period.

Cause: The County did not follow the Mileage and Per Diem Act when processing travel and per diem expenditures. Review of this travel expenditure did not identify this overage.

Auditors' Recommendations: The County should implement a procedure to review all travel and per diem expenditures prior to payment and ensure all reimbursements are in compliance with State Statutes.

Agency Response: This was an oversight. The Accounts Payable personnel completes the documents which are then turned over to the Finance Specialist III for review and then to the Finance Supervisor for final review. This was missed in all steps and we feel is a very rare occurrence as we are aware of the limits of reimbursement. In this case the payment was over by \$3.33.

The Finance Supervisor, Accounts Payable personnel and the Finance Specialist III continue to monitor these items and ensure compliance.

San Miguel County, New Mexico
Schedule of Findings and Questioned Costs
June 30, 2019

SECTION V – PRIOR YEAR AUDIT FINDINGS

FS 2017-002 Capital Assets Balances – Significant Deficiency – Resolved

FS 2018-001 — Unrecorded Cash Balances – Significant Deficiency – Resolved

NM 2004-004 (FS 2004-004) County Treasurer’s Property Tax Schedule Not Included – Other non-compliance – Repeated

NM 2017-001 — Preparation of Accounts Payable (Repeated/Modified) - Finding that does not Arise to the Level of Significant Deficiency - Resolved

NM 2018-001 — Lease Compliance – Other noncompliance - Resolved

NM 2018-002 — Under-collateralizing Deposits of Public Monies – Other noncompliance - Resolved

EXIT CONFERENCE

An exit conference was held on December 2, 2019. In attendance were the following:

Representing San Miguel County:

Maria Martinez – County Commissioner; Madam Chair
Vidal Martinez Ed.D – County Manager
Melinda Gonzales – Finance Supervisor

Representing Carr, Riggs & Ingram, LLC:

Benjamin A. Martinez, CPA – Senior Manager

AUDITOR PREPARED FINANCIAL STATEMENTS

Carr, Riggs & Ingram, LLC prepared the GAAP-basis financial statements and footnotes of San Miguel 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.