

STATE OF NEW MEXICO

Valencia County

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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Valencia County
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**STATE OF NEW MEXICO
Valencia County
Official Roster
June 30, 2018**

Board of County Commissioners

Charles D. Eaton.....Chairman - District 4
Johnathan Aragon..... Vice Chare - District 5
Helen Y. Cole..... Member - District 1
Bill Ray Martinez Member – District 2
David Hyder Member - District 3

Elected Officials

Peggy CarabajalCounty Clerk
Deseri Sichler County Treasurer
Michelle Milam County Assessor
Louis Burkhard..... County Sherriff
Jamie Goldberg.....County Probate Judge

Administrative Officials

Danny Monette.....County Manager
Loretta Trujillo Finance Director
Lisa Storey Senior Accountant

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FINANCIAL SECTION



Auditors~Consultants~CPA

INDEPENDENT AUDITOR'S REPORT

To Mr. Wayne Johnson
New Mexico State Auditor
To the Board of Valencia County Commissioners
Los Lunas, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Valencia County, New Mexico (the County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, Issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, and accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require management to present to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by 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, economical, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require that Schedules I, II, III, and IV on pages 68-73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 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 purposes of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of expenditures of federal awards (Schedule X), as required by Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the combining and individual non-major fund financial statements and the Supporting Schedules V through IX as listed in the table of contents required by Section 2.2.2 NMAC is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Schedule X, the combining and individual non-major fund financial statements and the Supporting Schedules V through IX are the responsibility of management and was derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, Schedule X and the combining and individual non-major fund financial statements and Supporting Schedules V and IX

required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The County's corrective action plan on pages 128-129 and the introductory section have not been subject 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 October 16, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Southwest Accounting Solutions, LLC

Southwest Accounting Solutions, LLC
Albuquerque, New Mexico
October 16, 2018

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Valencia County
Statement of Net Position
June 30, 2018

	Primary
	Governmental Activities
Assets	
Current Assets	
Cash and cash equivalents	\$ 7,129,209
Restricted cash	6,797,531
Property taxes receivable	3,426,474
Gross receipt taxes receivable	2,241,966
Other receivables, net	2,122,292
Prepaid expenses	1,369,936
Inventory	141,033
Total current assets	23,228,441
Noncurrent assets	
Capital assets	67,845,761
Less: Accumulated depreciation	(23,698,015)
Total noncurrent assets	44,147,746
Deferred outflows of resources	
Deferred outflows from pension	6,087,197
Deferred outflows from OPEB	395,993
Total deferred outflows	6,483,190
Total assets, and deferred outflows of resources	\$ 73,859,377

See Independent Auditors' Report and Notes to Financial Statements

	Governmental Activities
Liabilities	
Current liabilities	
Accounts payable	\$ 715,768
Accrued salaries and benefits	459,723
Accrued interest	31,708
Current portion of bonds and notes payable	1,641,631
Compensated absences	395,102
Total current liabilities	<u>3,243,932</u>
Noncurrent liabilities	
Bonds and notes payable	6,165,089
Compensated absences	198,348
Landfill closure liability	1,641,329
Net pension liability	17,614,355
Net OPEB liability	10,400,490
Total noncurrent liabilities	<u>36,019,611</u>
Total liabilities	<u>39,263,543</u>
Deferred inflows of resources	
Deferred inflows from pension	2,402,240
Deferred inflows from OPEB	2,367,059
Total deferred inflows	<u>4,769,299</u>
Net Position	
Net investment in capital assets	36,341,026
Restricted for:	
Debt Service	2,587,893
Capital Projects	210,159
Special Revenue	5,412,649
Unrestricted	(14,725,192)
Total net position	<u>29,826,535</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 73,859,377</u>

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STATE OF NEW MEXICO
Valencia County
Statement of Activities
For the Year Ended June 30, 2018

Exhibit A-2

<u>Functions and Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Government Activities</u>	
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 6,862,130	\$ 236,439	\$ 2,026,441	\$ -	\$ (4,599,250)
Public Safety	14,582,300	259,773	627,272	-	(13,695,255)
Public Works	4,156,121	-	-	2,307,249	(1,848,872)
Culture and Recreation	1,251,460	-	-	-	(1,251,460)
Health and Welfare	4,226,393	136,424	-	285,815	(3,804,154)
Interest on Long-Term Debt	276,340	-	-	-	(276,340)
Total Governmental Activities	31,354,744	632,636	2,653,713	2,593,064	(25,475,331)
General Revenues:					
Taxes:					
					13,205,988
					13,812,586
					1,000,112
					206,798
					5,776
					49,028
					1,527,594
					<u>29,807,882</u>
					<u>4,332,551</u>
					38,979,002
					(13,485,018)
					<u>25,493,984</u>
					<u>\$ 29,826,535</u>

See Independent Auditors' Report and Notes to Financial Statements

**State of New Mexico
Valencia County
Balance Sheet
Governmental Funds
June 30, 2018**

	<u>General Fund</u>	<u>Intergovernmental Grants</u>	<u>Roads</u>	<u>Adult Detention Center</u>	<u>2015 Revenue Bond Capital Project Fund</u>
Assets					
Cash and cash equivalents	\$ 7,129,209	\$ 191,009	\$ 692,163	\$ 71,727	\$ 328,381
Restricted cash	1,863,186	-	-	-	-
Property taxes receivable	3,161,360	-	-	-	-
Gross receipt taxes receivable	1,385,496	-	-	216,814	-
Other receivables	261,467	1,653,812	68,380	28,268	-
Prepaid expense	701,025	-	-	635,412	-
Inventory	48,374	-	80,696	-	-
Due from other funds	17,008	-	-	-	-
Total assets	<u>\$ 14,567,125</u>	<u>\$ 1,844,821</u>	<u>\$ 841,239</u>	<u>\$ 952,221</u>	<u>\$ 328,381</u>
Liabilities, deferred inflows of resources, and fund balance					
Liabilities					
Accounts payable	\$ 168,178	\$ 123,556	\$ 124,436	\$ 32,397	\$ 118,222
Accrued salaries and benefits	282,376	-	42,161	98,993	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>450,554</u>	<u>123,556</u>	<u>166,597</u>	<u>131,390</u>	<u>118,222</u>
Deferred Inflows of Resources					
Deferred inflows - property taxes	<u>2,924,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>3,374,872</u>	<u>123,556</u>	<u>166,597</u>	<u>131,390</u>	<u>118,222</u>
Fund balance					
Nonspendable					
Interfund Loans	17,008	-	-	-	-
Inventory	48,374	-	80,696	-	-
Prepaid Expenses	701,025	-	-	635,412	-
Spendable					
Restricted for:					
General government	-	1,721,265	-	-	-
Public safety	1,863,186	-	-	185,419	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service expenditures	-	-	-	-	-
Capital projects	-	-	-	-	210,159
Committed to:					
Minimum fund balance	3,467,212	-	1,232,456	-	-
Unassigned	5,095,448	-	(638,510)	-	-
Total fund balances	<u>11,192,253</u>	<u>1,721,265</u>	<u>674,642</u>	<u>820,831</u>	<u>210,159</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,567,125</u>	<u>\$ 1,844,821</u>	<u>\$ 841,239</u>	<u>\$ 952,221</u>	<u>\$ 328,381</u>

See Independent Auditors' Report and Notes to Financial Statements

<u>County Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental</u>
\$ 2,206,863	\$ 1,444,202	\$ 12,063,554
-	-	1,863,186
265,114	-	3,426,474
363,876	275,780	2,241,966
-	110,365	2,122,292
-	33,499	1,369,936
-	11,963	141,033
-	-	17,008
<u>\$ 2,835,853</u>	<u>1,875,809</u>	<u>\$ 23,245,449</u>
\$ -	\$ 148,979	\$ 715,768
-	36,193	459,723
-	17,008	17,008
<u>-</u>	<u>202,180</u>	<u>1,192,499</u>
<u>247,960</u>	<u>-</u>	<u>3,172,278</u>
<u>247,960</u>	<u>202,180</u>	<u>4,364,777</u>
-	-	17,008
-	11,963	141,033
-	33,499	1,369,936
-	463,206	2,184,471
-	636,623	2,685,228
-	194,416	194,416
-	209,211	209,211
	139,323	139,323
2,587,893	-	2,587,893
-	-	210,159
-	-	4,699,668
-	(14,612)	4,442,326
<u>2,587,893</u>	<u>1,673,629</u>	<u>18,880,672</u>
<u>\$ 2,835,853</u>	<u>\$ 1,875,809</u>	<u>\$ 23,245,449</u>

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**STATE OF NEW MEXICO
Valencia County
Governmental Funds**

Exhibit B-1
Page 2 of 2

**Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2018**

Total Fund Balance - Governmental Funds \$ 18,880,672

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

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

Capital assets	67,845,761
Less: Accumulated depreciation	(23,698,015)

Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows in the fund financial statements, but are considered revenues in the Statement of Activities. 3,172,278

Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:

Accrued interest	(31,708)
------------------	----------

Deferred outflows and inflows relating to pension and healthcare liabilities are not payable / collected in the current period and therefore are not reported in the fund financial statements. Deferred outflows and inflows consist of the following:

Deferred outflows related to pension	6,087,197
Deferred inflows related to pension	(2,402,240)
Deferred outflows related to OPEB	395,993
Deferred inflows related to OPEB	(2,367,059)

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:

Accrued compensated absences	(593,450)
Landfill closure liability	(1,641,329)
Loans payable	(7,806,720)
Net pension liability	(17,614,355)
Net OPEB liability	(10,400,490)

Total net position of governmental activities \$ 29,826,535

STATE OF NEW MEXICO
Valencia County
Statement of Revenues, Expenses, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	<u>General Fund</u>	<u>Intergovernmental Grants</u>	<u>Roads</u>	<u>Adult Detention Center</u>	<u>2015 Revenue Bond Capital Project Fund</u>
Revenues					
Property taxes	\$ 11,681,244	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	6,583,342	-	-	1,328,154	-
Gas taxes	429,140	-	570,972	-	-
Franchise taxes	206,798	-	-	-	-
State operating grants	2,026,441	-	-	281,174	-
State capital grants	-	826,485	-	-	-
Federal operating grants	-	-	-	-	-
Federal capital grants	-	1,480,764	-	-	-
Charges for services	236,439	-	-	259,773	-
Licenses and fees	744,048	-	-	-	-
Interest income	2,883	-	-	-	887
Miscellaneous income	599,550	-	17,029	852	-
Total revenue	<u>22,509,885</u>	<u>2,307,249</u>	<u>588,001</u>	<u>1,869,953</u>	<u>887</u>
Expenditures					
Current:					
General government	5,681,995	-	-	-	-
Public safety	6,908,277	-	-	4,650,376	-
Public works	-	9,103	2,344,455	-	100,602
Culture and recreation	-	-	-	-	-
Health and welfare	852,299	-	-	-	-
Capital outlay	426,278	2,488,546	120,457	-	2,540,611
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>13,868,849</u>	<u>2,497,649</u>	<u>2,464,912</u>	<u>4,650,376</u>	<u>2,641,213</u>
Excess (deficiency) of revenues over expenditures	<u>8,641,036</u>	<u>(190,400)</u>	<u>(1,876,911)</u>	<u>(2,780,423)</u>	<u>(2,640,326)</u>
Other financing sources (uses)					
Transfers in	641,024.00	1,773,201	2,144,400	3,535,775	-
Transfers out	(7,980,226)	-	-	-	-
Proceeds from sale of capital assets	20,242	-	22,571	438	176,000
Total other financing sources (uses)	<u>(7,318,960)</u>	<u>1,773,201</u>	<u>2,166,971</u>	<u>3,536,213</u>	<u>176,000</u>
Net change in fund balance	1,322,076	1,582,801	290,060	755,790	(2,464,326)
Fund balance - beginning of year	7,156,596	138,464	384,582	65,041	2,674,485
Restatement (Note 19)	2,713,581	-	-	-	-
Fund balance - beginning of year, restated	<u>9,870,177</u>	<u>138,464</u>	<u>384,582</u>	<u>65,041</u>	<u>2,674,485</u>
Fund balance - end of year	<u>\$ 11,192,253</u>	<u>\$ 1,721,265</u>	<u>\$ 674,642</u>	<u>\$ 820,831</u>	<u>\$ 210,159</u>

See Independent Auditors' Report and Notes to Financial Statements

<u>County Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental</u>
\$ 1,457,001	\$ -	\$ 13,138,245
708,586	5,192,504	13,812,586
-	-	1,000,112
-	-	206,798
-	218,170	2,525,785
-	285,815	1,112,300
-	127,928	127,928
-	-	1,480,764
-	136,424	632,636
-	-	744,048
1,257	749	5,776
-	166,115	783,546
<u>2,166,844</u>	<u>6,127,705</u>	<u>35,570,524</u>
-	487,261	6,169,256
-	1,220,764	12,779,417
-	179,509	2,633,669
-	1,163,880	1,163,880
-	2,869,378	3,721,677
-	356,795	5,932,687
1,622,986	-	1,622,986
285,479	-	285,479
<u>1,908,465</u>	<u>6,277,587</u>	<u>34,309,051</u>
<u>258,379</u>	<u>(149,882)</u>	<u>1,261,473</u>
168,564	526,850	8,789,814
-	(809,588)	(8,789,814)
-	14,301	233,552
<u>168,564</u>	<u>(268,437)</u>	<u>233,552</u>
426,943	(418,319)	1,495,025
2,160,950	2,080,274	14,660,392
-	11,674	2,725,255
<u>2,160,950</u>	<u>2,091,948</u>	<u>17,385,647</u>
<u>\$ 2,587,893</u>	<u>\$ 1,673,629</u>	<u>\$ 18,880,672</u>

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**Reconciliation of the Statement of Revenues, Expenses and Changes in Fund
Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018**

Net Change in Fund Balance - Governmental Funds \$ 1,495,025

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

Governmental funds report capital outlay 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 recorded in capital outlay	5,932,687
Depreciation expense	(2,618,841)

Governmental funds report proceeds received from the sale of capital assets as
revenues. However, in the statement of activities, revenues or expenses from
these transactions are reported net of the asset cost minus accumulative
depreciation.

Loss on sale of capital assets	(184,524)
--------------------------------	-----------

Governmental funds report County pension and retirement healthcare
contributions as expenditures. However, in the statement of activities, the cost of
pension and retirement healthcare benefits earned, net of employee
contributions, is reported as pension expense:

Change in net pension liability	(2,102,007)
Change in net OPEB liability	(18,740)

In governmental funds delinquent property taxes collected within sixty days after
year end are not considered "available" revenues and are considered to be
deferred inflows in the fund financial statements, but are considered revenues in
the Statement of Activities

67,743

Expenses reported in the statement of activities that do not require the use of
current financial resources and therefore are not reported as expenditures in the
governmental funds:

Decrease in accrued interest	9,139
Increase in accrued compensated absences	(6,750)

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

Principal payments on bonds and loans payable	1,622,986
Amortization of landfill liability	<u>135,833</u>

Change in Net Position - Governmental Activities	<u><u>\$ 4,332,551</u></u>
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STATE OF NEW MEXICO

Exhibit C-1

Valencia County

General Fund

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable) Final to actual
Revenues				
Taxes:				
Property taxes	\$ 11,779,068	\$ 11,674,841	\$ 11,674,841	\$ -
Gross receipts taxes	5,606,967	6,825,545	6,825,544	(1)
Franchise tax	100,679	159,615	159,485	(130)
Gasoline and motor vehicle	-	-	365,649	365,649
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	1,955,440	1,966,624	1,939,793	(26,831)
State capital grants	-	-	-	-
Charges for services	189,129	236,439	236,439	-
Licenses and fees	682,645	744,049	744,048	(1)
Interest income	1,100	2,869	2,883	14
Miscellaneous	449,830	585,955	585,954	(1)
Total revenue	<u>20,764,858</u>	<u>22,195,937</u>	<u>22,534,636</u>	<u>338,699</u>
Expenditures				
Current				
General government	5,713,243	5,694,016	5,482,914	211,102
Public safety	7,951,705	7,579,577	7,142,343	437,234
Health and welfare	879,411	882,764	852,299	30,465
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	447,017	682,589	529,078	153,511
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>14,991,376</u>	<u>14,838,946</u>	<u>14,006,634</u>	<u>832,312</u>
Excess (deficiency) of revenues over expenditures	<u>5,773,482</u>	<u>7,356,991</u>	<u>8,528,002</u>	<u>1,171,011</u>
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	(5,773,482)	(7,356,991)	-	-
Transfers in	-	-	-	-
Transfers out	(6,117,337)	(7,339,202)	(7,339,202)	-
Total other financing sources (uses)	<u>(6,117,337)</u>	<u>(7,339,202)</u>	<u>(7,339,202)</u>	<u>-</u>
Net Change in fund balance	<u>\$ (343,855)</u>	<u>\$ 17,789</u>	1,188,800	1,171,011
Fund balance - beginning of year			7,156,596	
Fund balance - end of year			<u>\$ 8,345,396</u>	
Net change in fund balance (non-GAAP budgetary basis)			1,188,800	
Adjustments to revenue for changes in receivables			(4,509)	
Adjustment to expenditures for changes in payables			137,785	
Net Change in fund balance (GAAP basis)			<u>\$ 1,322,076</u>	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO

Exhibit C-2

Valencia County

Intergovernmental Grants

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable) Final to actual
Revenues				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Franchise tax	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	2,451,858	2,494,061	195,995	(2,298,066)
State operating grants	-	-	-	-
State capital grants	1,214,081	1,902,360	767,011	(1,135,349)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	<u>3,665,939</u>	<u>4,396,421</u>	<u>963,006</u>	<u>(3,433,415)</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	3,940,025	4,391,239	2,551,602	1,839,637
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>3,940,025</u>	<u>4,391,239</u>	<u>2,551,602</u>	<u>1,839,637</u>
Excess (deficiency) of revenues over expenditures	<u>(274,086)</u>	<u>5,182</u>	<u>(1,588,596)</u>	<u>(1,593,778)</u>
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	274,086	(5,182)	-	-
Transfers in	477,124	1,778,716	1,773,201	(5,515)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>477,124</u>	<u>1,778,716</u>	<u>1,773,201</u>	<u>(5,515)</u>
Net Change in fund balance	<u>\$ 203,038</u>	<u>\$ 1,783,898</u>	184,605	(1,599,293)
Fund balance - beginning of year			384,582	
Fund balance - end of year			<u>\$ 569,187</u>	
Net change in fund balance (non-GAAP budgetary basis)			184,605	
Adjustments to revenue for changes in receivables			1,344,243	
Adjustment to expenditures for changes in payables			53,953	
Net Change in fund balance (GAAP basis)			<u>\$ 1,582,801</u>	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Valencia County
Roads

Exhibit C-3

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable) Final to actual
Revenues				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Franchise tax	-	-	-	-
Gasoline and motor vehicle	474,483	518,718	518,717	(1)
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	2,246	39,499	39,500	1
Total revenue	476,729	558,217	558,217	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Health and Welfare	-	-	-	-
Public works	2,421,972	2,435,931	2,331,509	104,422
Culture and recreation	-	-	-	-
Capital outlay	178,800	239,224	188,276	50,948
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,600,772	2,675,155	2,519,785	155,370
Excess (deficiency) of revenues over expenditures	(2,124,043)	(2,116,938)	(1,961,568)	155,370
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	2,124,043	2,116,938		
Transfers in	2,144,400	2,144,400	2,144,400	-
Transfers out	-	-	-	-
Total other financing sources (uses)	2,144,400	2,144,400	2,144,400	-
Net Change in fund balance	\$ 20,357	\$ 27,462	182,832	155,370
Fund balance - beginning of year			384,582	
Fund balance - end of year			\$ 567,414	
Net change in fund balance (non-GAAP budgetary basis)			182,832	
Adjustments to revenue for changes in receivables			52,355	
Adjustment to expenditures for changes in payables			54,873	
Net Change in fund balance (GAAP basis)			\$ 290,060	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO

Exhibit C-4

Valencia County

Adult Detention Center

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable) Final to actual
Revenues				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	1,091,972	1,362,578	1,362,578	-
Franchise tax	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	313,071	281,174	281,174	-
State capital grants	-	-	-	-
Charges for services	330,705	231,505	231,505	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	1,974	1,289	1,290	1
Total revenue	<u>1,737,722</u>	<u>1,876,546</u>	<u>1,876,547</u>	<u>1</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	5,270,813	5,225,957	5,072,392	153,565
Health and Welfare	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>5,270,813</u>	<u>5,225,957</u>	<u>5,072,392</u>	<u>153,565</u>
Excess (deficiency) of revenues over expenditures	<u>(3,533,091)</u>	<u>(3,349,411)</u>	<u>(3,195,845)</u>	<u>153,566</u>
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	3,533,091	3,349,411	-	-
Transfers in	3,530,725	3,530,725	3,535,775	5,050
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,530,725</u>	<u>3,530,725</u>	<u>3,535,775</u>	<u>5,050</u>
Net Change in fund balance	<u>\$ (2,366)</u>	<u>\$ 181,314</u>	339,930	158,616
Fund balance - beginning of year			65,041	
Fund balance - end of year			<u>\$ 404,971</u>	
Net change in fund balance (non-GAAP budgetary basis)			339,930	
Adjustments to revenue for changes in receivables			(6,156)	
Adjustment to expenditures for changes in payables			422,016	
Net Change in fund balance (GAAP basis)			<u>\$ 755,790</u>	

See Independent Auditors' Report and Notes to Financial Statements

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FIDUCIARY FUNDS

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STATE OF NEW MEXICO
Valencia County
Statement of Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

Exhibit-D

	Balance June 30, 2018
Assets	
Cash and cash equivalents	\$ 27,545,675
Property taxes receivable	6,855,820
Total assets	<u>34,401,495</u>
Liabilities	
Deposits held in trust for others	1,765,458
Deposits held in trust for hospital levy	25,780,217
Future Taxes collectable	6,855,820
Total liabilities	<u>\$ 34,401,495</u>

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies

Valencia County (the County) is a political subdivision of the State of New Mexico established in 1876 under the provisions of Section 4-5-1 of 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 a 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 municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal 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 the County's financial statements. The financial statements and notes are the representation of the County's management, who are responsible for their integrity and objectivity.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the County's accounting policies are described below.

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.

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 Statements No. 39 and No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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 does not have any component units required to be reported under GASB Statements No. 14, No. 39, and No. 61.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government wide financial statements. Neither fiduciary funds nor component units that are fiduciary in nature are included in the government wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The County has only governmental activities, which normally are supported by taxes and intergovernmental revenues and does not report any business-type activities.

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

In the government wide Statement of Net Position, the governmental activities are presented on a consolidated basis and is reported on a full accrual, economic resources 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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. 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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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 various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

Governmental funds are used to account for the County's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. The County reports the following major governmental funds:

General Fund – This is the County's primary operations fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Intergovernmental Grants – This fund accounts for Legislative appropriations and special purpose grants from CDBG; Department of Justice Assistance Programs; Homeland Security and Bioterrorist Preparedness.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

Roads – This Fund was created to account for funds used to maintain roads for which the County has a responsibility. Financing sources include motor vehicle registration fees and New Mexico State Highway Department Cooperative Agreement. Expenditures are restricted for the construction and maintenance of county roads. The fund was created by the authority of State Statute Section 67-41-1, NMSA 1978 Compilation.

Adult Detention Center – This fund accounts for the operation of the County’s Adult Detention Center. This fund was created by County Resolution No. 2005-66.

2015 Revenue Bond Fund – This fund accounts for the proceeds of a revenue bond issued in December 2014.

County Debt Service – This fund accounts for the resources designated for the retirement of NMFA debt. This fund also administers the bond reserve fund and the payment of certain obligations for which monies were issued.

Additionally, the government reports various agency funds

Agency funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County’s agency funds are used to account for the collection and payment of taxes and special fees to other governmental agencies. The agency fund is also used to account for collection and disbursement of inmate funds for the Valencia County Detention Center. In addition, the agency fund will track and account for items held for Valencia County hospital that has been levying taxes from taxpayers.

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

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

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer’s Local Government Investment Pool (LGIP).

Investments for the County are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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 funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property tax receivables are recognized when levied net of estimated refunds and uncollectible amounts, if applicable. Based upon management's estimate, all receivables are deemed fully 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 uncollected after November 10th and April 10th are considered delinquent 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.

Prepaid Items: Prepaid expenditures include insurance and contract payments to vendors and reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements.

Inventory: Valencia County values inventory at lower of cost or market value. The method that the County uses is the consumption approach. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed.

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 expended. Debt service cash is restricted for future debt payments.

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. Valencia County was a Phase I government for purposes of implementing GASB Statement No. 34. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to 1980) is included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

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

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (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. The total interest expense capitalized by the County during the current fiscal year was \$0. 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:

Building and Improvements	40-80 Years
Equipment	5-20 Years
Infrastructure	30-60 Years

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

Unearned Revenues: There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is "unavailable revenue." Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). 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 revenue.

Deferred Inflows of Resources Related to Property Taxes: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources related to property taxes. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s). In the fund financial statements 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. These amounts are deferred and recognized as an inflow if resources in the period the amounts become available.

Deferred Outflows of Resources Related to Pension and OPEB: In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

Deferred Inflows of Resources Related to Pension and OPEB: In addition to liabilities, the Statement of Net Position 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 (measureable 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.

Compensated Absences: Qualified employees are entitled to accumulate annual leave according to a graduated annual leave schedule. Depending on the length of service, employees may accrue 10 to 20 days per year. Annual leave may be accumulated from year to year up to a maximum of 30 days. Annual leave balances in excess of 30 days as of December 31 of any calendar year will be lost. The employee or the employee's estate will be paid for each day of the unused annual leave at the time of the employee's voluntary or involuntary termination, retirement, death, or total disability up to a maximum of 30 days plus the number of days accrued and unused during the current calendar year.

Qualified employees are entitled to accumulate sick leave at a rate of 12 days per year. There is no accrual limitation and upon separation or retirement of an employee who has served five or more years, the County shall pay the employee a sum equal to 25% of the value of the accumulated and unused sick leave, based on his/her average rate of pay for the preceding 12 months. Part-time employees accrue sick leave on a pro-rata basis. Casual and temporary employees do not accrue sick leave.

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

Long-Term Obligations: In the government wide fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond discount is 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. There were no bond premiums or discounts at June 30, 2018. 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 another financing source 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 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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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.

The County applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Fund Balance: During 2009, GASB adopted Statement No. 54 to clarify the fund balance reporting guidelines of GASB 54. The fund balance reporting established by GASB 54 must be followed by all five of the governmental-type funds used by state and local governments. Based on the requirements of GASB 54, the total fund balance can be conceptually separated into two primary components: 1) Non-spendable fund balance and 2) Spendable fund balance. Fund balance is reported in these five classifications:

Non-spendable Fund Balance: At June 30, 2018, the non-spendable fund balances in the funds are made up of interfund loans in the amount of \$17,008, inventory in the amount of \$141,033 and prepaid expenses in the amount of \$1,369,936 that are not in spendable form.

Restricted Fund Balance: At June 30, 2018, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$8,210,701 for various County operations as restricted by enabling legislation. The details of these fund balance items are located on the governmental funds balance sheet on pages 18-19.

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 1/4th the General Fund expenditures and cash reserve of 1/12th the Road Special Revenue Fund. Total minimum fund balances as of June 30, 2018 were \$4,699,668.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets - Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that do not meet the definition of “restricted” or “investment in capital assets, net of related debt.”

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (continued)

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.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for Valencia County include management's estimate of the allowance for uncollectible accounts for property taxes, depreciation on assets over their estimated useful lives and accrued compensated absences.

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration. A separate budget is prepared 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 as the legal level of budgetary control is at the fund level.

These budgets 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.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Since accounting principles applied for purposes of developing revenues and expenditures on the 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 fund balances and timing differences in the net change in fund balances is presented for the year ended June 30, 2018. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by major special revenue fund can be for major special revenue funds on the individual comparison statements.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

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. The County is not aware of any invested funds that did not meet the State investment requirements as of June 30, 2018.

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

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

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

All of the County's accounts at an insured depository institution, including time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. At June 30, 2018, \$ 41,092,219 of the County's bank balance of 42,174,881 was exposed to custodial credit risk, \$26,437,142 of the County's cash deposits were uninsured and collateralized by collateral held by the pledging banks trust department, not in the county's name, and \$14,655,077 was uninsured and uncollateralized at June 30, 2018.

	Bank of the West	My Bank	New Mexico Bank & Trust	Bank of Albuquerque	Wells Fargo	US Bank	Total
Deposits	\$ 39,054,935	\$ 287,995	\$ 2,334,272	\$ 453,012	\$ 42,517	\$ 2,150	\$ 42,174,881
Less: FDIC Coverage	(250,000)	(250,000)	(250,000)	(250,000)	(42,517)	(2,150)	(1,044,667)
Total uninsured public funds	38,804,935	\$ -	\$ 2,084,272	203,012	-	-	41,092,219
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the	24,149,858	670,937	2,888,051	2,904,825	-	-	30,613,671
Uninsured and uncollateralized	\$ 14,655,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,655,077
Collateral requirements (50% of uninsured funds)	\$ 19,402,468	\$ -	\$ 1,042,136	\$ 101,506	\$ -	\$ -	\$ 20,546,110
Pledged Collateral	24,149,858	670,937	2,888,051	2,904,825	-	-	30,613,671
Over (under) collateralized	\$ 4,747,391	\$ 670,937	\$ 1,845,915	\$ 2,803,319	\$ -	\$ -	\$ 10,067,562

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 3. Deposits and Investments (continued)

The carrying amount of deposits shown above is included in the County's Statement of net position and Statement of Fiduciary Assets and liabilities as follows:

Cash and cash equivalents per Exhibit A-1	\$	7,129,209
Restricted cash and cash equivalents per Exhibit A-1		6,797,531
Agency Cash Exhibit D		27,545,675
 Total cash and cash equivalents		 41,472,415
 Add: Outstanding checks		 836,722
Less: Outstanding deposits		(53,240)
Less: LGIP Cash		(31,872)
Less: Cash held at the NMFA		(49,144)
 Bank balance of deposits	 \$	 42,174,881

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

As of June 30, 2018, the County had a total of \$31,872 invested in LGIP investments.

NOTE 4. Accounts and Taxes Receivable

Receivables as of June 30, 2018 consisted of the following; all receivables as of June 30, 2018 were deemed to be fully collectable.

		Governmental Funds
Property taxes receivable	\$	3,426,474
GRT receivable		2,241,966
Grants receivable		1,859,041
Other receivables		263,251
Total gross receivables	\$	7,790,732

In the above receivable balances the County accrued \$3,172,278 as a deferred inflow of resources due to the Property tax revenues not being available and collected within 60 days from year end.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 5. Interfund Receivables, Payables, and Transfers

The County records temporary interfund receivables and payables to enable the funds to operate until grant monies are available.

The composition of interfund balances during the year ended June 30, 2018 is as follows:

<u>Due from:</u>	<u>Due to:</u>	<u>Amount</u>
Farm and Range	General Fund	\$ 128
Traffic Safety	General Fund	16,880
		<u>\$ 17,008</u>

Operating transfers are made to close out funds and supplement other funding sources in the normal course of operations. Interfund transfers during the year ended June 30, 2018 is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
County Debt Service	Fire Protection	\$ 16,805
County Debt Service	County Fire Protection	12,744
County Debt Service	EMS	39,735
County Debt Service	Fire Protection	25,618
County Debt Service	Fire Protection	19,072
County Debt Service	Fire Protection	22,684
Intergovernmental Grants	General Fund	149,373
Roads	General Fund	2,144,400
Juvenile Detention	General Fund	190,849
Adult Detention	General Fund	3,535,775
Solid Waste	General Fund	30,655
Senior Citizens	General Fund	305,346
Intergovernmental Grants	General Fund	1,623,828
General Fund	County Indegent Funds	641,024
County Debt Service	County Fire Protection	31,906
Total		<u>\$ 8,789,814</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows (land and construction in progress is not subject to depreciation):

	<u>Balance 6/30/2017</u>	<u>Restatement</u>	<u>2017 Restated</u>	<u>Additions</u>	<u>Deletions</u>	<u>CIP Transfers</u>	<u>Balance 6/30/2018</u>
Capital assets, not depreciated							
Land & land improvements	\$ 2,768,076	\$ -	\$ 2,768,076	\$ -	\$ (2,457)	\$ -	\$ 2,765,619
Construction in Progress	844,714	-	844,715	4,353,482	-	(4,506,039)	692,158
Total not depreciated	<u>3,612,790</u>	<u>-</u>	<u>3,612,791</u>	<u>4,353,482</u>	<u>(2,457)</u>	<u>(4,506,039)</u>	<u>3,457,777</u>
Capital assets, depreciated							
Buildings & Improvements	24,432,120	(4,839)	24,427,281	51,065	-	263,137	24,741,483
Equipment	1,786,032	-	1,786,032	295,119	-	-	2,081,151
Vehicles & Heavy Machinery	12,649,283	88,314	12,737,597	394,451	(505,673)	-	12,626,375
Infrastructure: Roads	19,714,517	142,987	19,857,504	838,569	-	4,242,902	24,938,975
Total depreciated	<u>58,581,952</u>	<u>\$ 226,462</u>	<u>\$ 58,808,414</u>	<u>\$ 1,579,204</u>	<u>\$ (505,673)</u>	<u>\$ 4,506,039</u>	<u>64,387,984.00</u>
Total capital assets	<u>\$ 62,194,742</u>						<u>\$ 67,845,761</u>
Accumulated depreciation							
Buildings & Building Equipment	\$ 7,567,914	\$ (4,290)	\$ 7,563,624	\$ 464,821	\$ -	\$ -	\$ 8,028,445
Equipment	951,012	-	951,012	257,730	-	-	1,208,742
Vehicles & Heavy Machinery	7,442,951	40,142	7,483,093	1,079,615	323,606	-	8,239,102
Infrastructure: Roads	5,294,706	110,345	5,405,051	816,675	-	-	6,221,726
Total accumulated depreciation	<u>\$ 21,256,583</u>	<u>\$ 146,197</u>	<u>\$ 21,402,780</u>	<u>\$ 2,618,841</u>	<u>\$ 323,606</u>	<u>\$ -</u>	<u>\$ 23,698,015</u>
Net Capital Assets	<u>\$ 40,938,159</u>						<u>\$ 44,147,746</u>

Depreciation expense was charged to the following Governmental Activities:

General Government	\$ 228,648
Public Safety	841,254
Public Works	1,324,273
Health and Welfare	224,666
Total Depreciation Expense	<u>\$ 2,618,841</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 7. Long-term Debt

During the year ended June 30, 2018, the following changes occurred in the long term debt reported in the Government-Wide Statement of Net Position:

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Due Within One Year
Bonds Payable:					
GO Bonds Series 2011 Judicial Complex	\$ 1,855,000	\$ -	\$ 930,000	\$ 925,000	\$ 925,000
GO Bonds Series 2011 Public Safety	135,000	-	65,000	70,000	70,000
GRT Revenue Bonds Series 2015	6,710,000	-	475,000	6,235,000	490,000
Subtotal bonds	<u>\$ 8,700,000</u>	<u>\$ -</u>	<u>\$ 1,470,000</u>	<u>\$ 7,230,000</u>	<u>\$ 1,485,000</u>
NMFA Loans Payable:					
Highland Meadow Pumper	\$ 31,843	\$ -	\$ 15,637	\$ 16,206	\$ 16,206
Fire/EMS Response Truck	125,038	-	29,896	95,142	30,727
Tome Adelino Fire Pumper	180,947	-	34,365	146,582	35,272
Jarales/Puebloitos Fire Truck	51,804	-	12,386	39,418	12,726
El Cerrofire Truck	92,972	-	17,898	75,074	18,196
Manzano Vista Fire Truck	105,827	-	20,368	85,459	20,709
Los Chavez Fire Pumper	141,275	-	22,436	118,839	22,795
Subtotal NMFA Loans	<u>\$ 729,706</u>	<u>\$ -</u>	<u>\$ 152,986</u>	<u>\$ 576,720</u>	<u>\$ 156,631</u>
Total Bonds and NMFA Loans	\$ 9,429,706	\$ -	\$ 1,622,986	\$ 7,806,720	\$ 1,641,631
Accrued compensated absences	586,700	401,852	395,102	593,450	395,102
Total Long-term debt	<u>\$ 10,016,406</u>	<u>\$ 401,852</u>	<u>\$ 2,018,088</u>	<u>\$ 8,400,170</u>	<u>\$ 2,036,733</u>

Bonds Payable:

On March 11, 2011, voters of the County authorized the issuance of \$6,665,000 General Obligation Judicial Complex Bonds at a special election held within the County. The bonds were issued in the amount of \$6,665,000 and sold to the New Mexico Finance Authority for 100% of the principal with an interest rate of 0.63% to 2.76%. Principal payments are due annually on August 1 while interest payments are due semi-annually in August and February. The bond repayment ends on August 1, 2019.

On June 3, 2011, voters of the County authorized the issuance of \$425,000 General Obligation Public Safety bonds at a special election held within the County. The bonds were issued in the amount of \$425,000 and sold to the New Mexico Finance Authority for 100% of the principal with an interest rate of 2.39%. Payments are due semi-annually on May 1 and November 1. The bond repayment ends in 2019.

Revenue Bonds:

On December 17, 2014, the County Commission passed Valencia County Ordinance No. 2014-08 authorizing issuance of the Series 2015 Gross Receipts Tax Improvement Revenue Bonds, Series 2015, in the amount of \$7,175,000 for the purposes of acquiring and installing equipment for various projects and repairing and improving roads throughout the County. The Bonds are payable and collectible solely from the revenues derived from the revenues derived from the gross receipt tax imposed by the County pursuant to Section 7- 20E-28 NMSA 1978 and Valencia County Ordinance No. 2014-05. The Bonds bear interest ranging from 2.75% to 5.00% payable semi-annually on June 1 and December 1, of each year, commencing on December 1, 2015 through 2035.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the above bonds payable as of June 30, 2018 including interest payments are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 1,485,000	\$ 227,220	\$ 1,712,220
2020	505,000	198,675	703,675
2021	525,000	183,525	708,525
2022	500,000	167,775	667,775
2023	515,000	152,775	667,775
2024-2028	1,900,000	478,425	2,378,425
2029-2033	1,245,000	213,636	1,458,636
2034-2035	555,000	27,838	582,838
	<u>\$ 7,230,000</u>	<u>\$ 1,649,869</u>	<u>\$ 8,879,869</u>

NMFA Revenue Notes:

The County entered into several loan agreements with the New Mexico Finance Authority, wherein the County pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service. This revenue is subject to intercept agreements.

The issue date, maturity date, interest rate, amount of original issue and ending balance of the NMFA loans as of 6/30/2018 is as follows:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of	Balance June 30, 2018
Highland Meadow Pumper	September 19, 2008	May 1, 2019	3.50%	\$ 137,025	\$ 16,206
Fire/EMS Response Truck	May 13, 2011	May 1, 2021	2.70%	293,496	95,142
Tome Adelino Fire Pumper	June 10, 2011	May 1, 2022	2.60%	343,762	146,582
Jarales/Puebloitos Fire Truck	October 28, 2011	May 1, 2021	0.60%	112,966	39,418
El Cerrofire Truck	October 28, 2011	May 1, 2022	1.10%	177,625	75,074
Manzano Vista Fire Truck	October 28, 2011	May 1, 2022	1.90%	203,000	85,459
Los Chavez Fire Pumper	January 27, 2012	May 1, 2023	2.10%	248,574	118,839
Total NMFA Revenue Notes				<u>\$ 1,516,448</u>	<u>\$ 576,720</u>

The annual requirements to amortize the NMFA Revenue Notes as of June 30, 2018, including interest payments, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 156,631	\$ 14,333	\$ 170,964
2020	143,976	10,630	154,606
2021	147,097	7,126	154,223
2022	103,862	3,410	107,272
2023	25,154	992	26,146
	<u>\$ 576,720</u>	<u>\$ 36,490</u>	<u>\$ 613,210</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 7. Long-term Debt (continued)

Compensated Absences

Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year June 30, 2018, compensated absences increased \$6,750 from the prior year accrual. In prior years, the general fund was typically used to liquidate such liabilities.

NOTE 8. Landfill Closure and Post-Closure Care

The County stopped accepting solid waste at its landfill in 1995. State law, federal law and various regulations require that the County perform certain maintenance and monitoring functions at the landfill for 30 years after closure. The estimated liability for the County's landfill post-closure care was \$347,500 as of June 30, 2017. On March 14, 2018 the County received an updated engineer's opinion of probable cost to close the Valencia landfill resulting in a restatement of the landfill liability in the amount of \$1,429,662. The county amortized \$135,833 of this liability in fiscal year 2018 and reported an ending landfill liability of \$1,641,329 at June 30, 2018. These estimates may change in the future due to inflation or deflation, changes in technology, and applicable laws or regulations governing landfill post-closure care.

NOTE 9. Other Required Fund Disclosures

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

- A. Deficit fund balance/net position of individual funds. The deficit fund balances as of June 30, 2018 were as follows:

Fund	Amount
Farm and Range	\$ (128)
Traffic Safety	\$ (14,484)

NOTE 10. Risk Management

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

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 10. Risk Management (continued)

The County is also involved in a case with the Village of Los Lunas and City of Belen regarding the use of Mill Levy Funds for the construction, operation and maintenance of a general hospital in Valencia County. The case also concerns the competing efforts of the City of Belen and Village of Los Lunas to have a county hospital built in their community. The City of Belen has expressed concerns in regards to potential mismanagement of Mill Levy Funds collected pursuant to the Hospital Funding Act, Sections 4-48B-5 and 4-48B-12 NMSA 1978. Per this act the money shall be used only for the operation and maintenance of a hospital and will be held in an agency fund until the facility is constructed. As of June 30, 2018, no potential liability exists and the funds involved are properly held in the County's agency fund (Hospital Fund 801).

NOTE 11. Pension Plan- Public Employees Retirement Association

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. PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/>.

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, 2017 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2017.pdf.

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 FY17 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures:

http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2017.pdf.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 11. Pension Plan- Public Employees Retirement Association (continued)

The PERA coverage options that apply to the County are: Municipal General and Municipal Police. Statutorily required contributions to the pension plan from the County were \$2,102,007 for the year ended June 30, 2018. The County did pick-up portions of the employee's contributions.

Contributions. See PERA's comprehensive annual financial report for Contributions Provided descriptions:

PERA Contribution Rates and Pension Factors as of July 1, 2017						
Coverage Plan	Employee Contribution		Employer Contribution Percentage	Pension Factor per		Pension Maximum as a Percentage of the Final Average
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	8.92%	16.99%	3.0%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.0%	8.5%	7.4%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.55%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.55%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.05%	3.0%	2.5%	90%
MUNICIPAL POLICE PLANS 1 - 5						
Municipal Police Plan 1	7.0%	8.5%	10.40%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.40%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	18.90%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	18.90%	3.5%	3.0%	90%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.9%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 11. Pension Plan- Public Employees Retirement Association (continued)

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, 2017, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2017.

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. The County's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2017. Only employer contributions for the pay period end dates that fell within the period of July 1, 2016 to June 30, 2017 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to fiscal year 2017 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA, its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General, at June 30, 2018, the County reported a liability of \$11,830,868 for its proportionate share of the net pension liability. Its proportionate percentage was .86%.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 11. Pension Plan- Public Employees Retirement Association (continued)

For the year ended June 30, 2018, the County recognized PERA Fund Division Municipal General Pension expense of \$1,411,835. At June 30, 2018, the County reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 464,873	\$ 605,942
Changes of assumptions	545,579	122,256
Net difference between projected and actual earnings on pension plan investments	970,651	-
Changes in proportion and differences between County's contributions and proportionate share of contributions	1,093,732	121,242
County's contributions subsequent to the measurement date	<u>696,683</u>	<u>-</u>
Total	<u>\$ 3,771,518</u>	<u>\$ 849,440</u>

\$696,683 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date June 30, 2017 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2019	\$ 704,395
2020	1,484,699
2021	319,967
2022	(283,668)
Thereafter	-
Total	<u>\$ 2,225,393</u>

For PERA Fund Division Municipal Police, at June 30, 2018, the County reported a liability of \$5,783,487 for its proportionate share of the net pension liability. Its proportionate percentage was 1.04%.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 11. Pension Plan- Public Employees Retirement Association (continued)

For the year ended June 30, 2018, the County recognized PERA Fund Division Municipal Police pension expense of \$690,172. At June 30, 2018, the County reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 351,257	\$ 1,080,579
Changes of assumptions	344,095	134,484
Net difference between projected and actual earnings on pension plan investments	465,777	-
Changes in proportion and differences between County's contributions and proportionate share of contributions	795,653	337,737
County's contributions subsequent to the measurement date	<u>358,897</u>	<u>-</u>
Total	<u>\$ 2,315,679</u>	<u>\$ 1,552,800</u>

The County's contributions of \$358,897 are reported as deferred outflows of resources related to pensions, resulting in the County's contributions subsequent to the measurement date June 30, 2017 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2019	\$ 247,536
2020	534,150
2021	(241,516)
2022	(136,188)
Thereafter	-
Total	<u>\$ 403,982</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 11. Pension Plan- Public Employees Retirement Association (continued)

Actuarial Assumptions: The total pension liability at June 30, 2018 was determined using the following actuarial assumptions:

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Asset valuation method	4 year smoothed market value
Actuarial assumptions:	Fair value
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75-3.25% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25%-2.75% annual rate
Mortality assumption	RP-2000 Mortality Tables
Experience study dates	July 1, 2010 through June 30, 2016

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:

<u>ALL FUNDS - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	43.5%	7.39%
Risk Reduction	21.5%	1.79%
Credit Oriented	15.0%	5.77%
Real Assets	20.0%	4.15%
Total	<u>100%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.51%. 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 7.51% 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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 11. Pension Plan- Public Employees Retirement Association (continued)

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 (6.51%) or one percentage point higher (8.51%) than the single discount rate.

<u>PERA Fund Division Municipal Government</u>	<u>1% Decrease (6.51%)</u>	<u>Current Discount Rate (7.51%)</u>	<u>1% Increase (8.51%)</u>
County's proportionate share of the net pension liability	\$ 18,542,878	\$ 11,830,868	\$ 6,248,898
<u>PERA Fund Division Municipal Police</u>	<u>1% Decrease (6.51%)</u>	<u>Current Discount Rate (7.51%)</u>	<u>1% Increase (8.51%)</u>
County's proportionate share of the net pension liability	\$ 9,222,978	\$ 5,783,487	\$ 2,960,785

Detailed information about the pension plan's fiduciary net position is available in the separately issued FY17 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to pension plan: As of June 30, 2018, the County had no outstanding amount of contributions to the pension plan.

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan

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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 12. 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.

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 \$197,992 for the year ending June 30, 2018.

At June 30, 2018, the County reported a liability of \$10,400,490 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the County's proportion was .0.2289 percent.

For the year ended June 30, 2018, the County recognized OPEB expense of \$18,740. At June 30, 2018 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 399,104
Changes of assumptions	-	1,818,341
Net difference between projected and actual earnings on OPEB plan investments	-	149,614
County's contributions subsequent to the measurement date	395,993	-
Total	<u>\$ 395,993</u>	<u>\$ 2,367,059</u>

Deferred outflows of resources totaling \$395,993 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2019	\$ (503,253)
2020	(503,253)
2021	(503,253)
2022	(503,253)
Thereafter	(354,047)
Total	<u>\$ (2,367,059)</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 12. 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
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.5% for ERB;
Projected payroll increase	3.50%
Investment rate of return	7.25 net of OPEB plan expense and margin for adverse deviation including inflation
Health care cost trend	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 years for Medicare medical plan costs

Rate of Return

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

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

<u>ALL FUNDS - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Core Fixed Income	20.0%	4.10%
US Equity-Large Cap	20.0%	9.10%
Non US Emerging	15.0%	12.20%
NON US Developed	12.0%	9.80%
Private Equity	10.0%	13.80%
Credit and Structured	21.5%	1.79%
Real Estate	5.0%	6.90%
Absolute Return	5.0%	6.10%
Real Assets	3.0%	9.10%
Total	<u>100%</u>	

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)

Discount Rate

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

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.

The following presents the net OPEB liability of the County, as well as what the County’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

<u>RHC Fund Division Municipal Government</u>	<u>1% Decrease (2.81%)</u>	<u>Current Discount Rate (3.81%)</u>	<u>1% Increase (4.81%)</u>
County's proportionate share of the net OPEB liability	\$ 12,615,268	\$ 10,400,490	\$ 8,662,262

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

NOTE 13. Subsequent Events

The date to which events occurring after June 30, 2018, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is October 16, 2018 which is the date on which the financial statements were available to be issued.

NOTE 14. Restricted Net Position

The government-wide statement of net position reports restricted net position in governmental funds of \$8,210,701. For descriptions of the related enabling legislation for special revenue, capital projects, see page 37-38 and pages 76-77 for descriptions of the related restrictions for special revenue, debt service capital projects funds.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

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. The County expects any liability for reimbursement which may arise as a result of these audits to be immaterial.

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. Tax Abatements

As of June 30, 2017, the County adopted GASB Statement No. 77 Tax Abatement Disclosures. While the statements require only material abatements to be disclosed within the notes to the financial statements, the New Mexico State Auditor requires that all abatements, regardless of materiality, be disclosed within the notes. As a result, the County was affected by 5 tax abatements, information related to the abatement's follows:

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of Agency Affected by Abatement Agreement (Affected Agency)	Village of Los Lunas
Agency Number of Affected Agency	6011
Agency Type of Affected Agency	<u>Municipality</u>
Recipient(s) of Tax Abatement	<u>Accurate Machine & Tool Co., Inc. and ACIM Inc.</u>
Tax Abatement Program (name and brief description)	Industrial Revenue Bonds - ACIM Project, Series 2014; \$30,000,000
Specific Tax(es) Being Abated	Property Tax

Authority under which abated tax would have been paid to Affected Agency: Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation

Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement: \$13,125.

For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year: NA

If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission: N/A

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 17. Tax Abatements (continued)

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of Agency Affected by Abatement Agreement (Affected Agency)	Village of Los Lunas
Agency Number of Affected Agency	6011
Agency Type of Affected Agency	Municipality
Recipient(s) of Tax Abatement	Property Tax
Tax Abatement Program (name and brief description)	Industrial Revenue Bonds - Fresenius Medical Care Project-Series 2005; \$6,000,000
Specific Tax(es) Being Abated	Property Taxes

Authority under which abated tax would have been paid to Affected Agency: Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation

Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement: \$2,652

For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year: NA

If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission: N/A

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of Agency Affected by Abatement Agreement (Affected Agency)	Village of Los Lunas
Agency Number of Affected Agency	6011
Agency Type of Affected Agency	Municipality
Recipient(s) of Tax Abatement	Property Tax
Tax Abatement Program (name and brief description)	Industrial Revenue Bonds - Greater Kudu LLC Project, Series 2016; not to exceed \$5,000,000,000
Specific Tax(es) Being Abated	Property Tax

Authority under which abated tax would have been paid to Affected Agency: Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation Under construction

Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement: \$2,187,611

For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year: N/A

If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission: N/A

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 17. Tax Abatements (continued)

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of Agency Affected by Abatement Agreement (Affected Agency)	Village of Los Lunas
Agency Number of Affected Agency	5032
Agency Type of Affected Agency	County
Recipient(s) of Tax Abatement	Property Tax
Tax Abatement Program (name and brief description)	Industrial Revenue Bonds - Wal-Mart Stores East, Inc. Project-Series 1997; \$50,000,000
Specific Tax(es) Being Abated	Property Tax

Authority under which abated tax would have been paid to Affected Agency: Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation

Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement: \$21,876

For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year: N/A

If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission: N/A

Abating Agency Name	Valencia County
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of Agency Affected by Abatement Agreement (Affected Agency)	Valencia County
Agency Number of Affected Agency	5032
Agency Type of Affected Agency	County
Recipient(s) of Tax Abatement	Property Tax
Tax Abatement Program (name and brief description)	Industrial Revenue Bonds – Resin Partners, Inc. Project Series 2017 \$40,000,000
Specific Tax(es) Being Abated	Property Tax

Authority under which abated tax would have been paid to Affected Agency: Sections 3-32-1 to 3-32-16 New Mexico Statutes Annotated, 1978 Compilation.

Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement: \$0.

For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year: N/A

If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission: N/A

NOTE 18. Related Party

As of June 30, 2018, the County's management was not aware of any related party relationships.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 19. Restatements

The County recorded a restatement to net position to prior year's fund and government wide financial statements for the following:

Fund Name	Net position / Fund Balance June 30, 2017	Capital Assets	RHC Liability	Landfill Liability	Cash	Revenues and Expenses	Fund Reclassifications	Restated Net Position/Fund Balance June 30, 2018
Government Wide Restatements:								
Governmental Activities	\$ 38,979,002	\$ 80,265	\$ (12,352,814)	\$ (1,429,662)	\$ 348,441	\$ 11,674	\$ (142,922)	\$ 25,493,984
Funds Restatements:								
General Fund	\$ 7,156,596	\$ -	\$ -	\$ -	\$ 348,441	\$ -	\$ 2,365,140	\$ 9,870,177
Other Funds	2,508,062	-	-	-	-	-	(2,508,062)	-
Law Enforcement	1,878	-	-	-	-	11,674	-	13,552
Total Major Governmental Funds	\$ 9,666,536	\$ -	\$ -	\$ -	\$ 348,441	\$ 11,674	\$ (142,922)	\$ 9,883,729
Agency Funds:								
EMS GRT	\$ 27,239,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,922	\$ 27,382,538

During the performance of the County's capital asset inventory they noted the following capital assets were not included on their capital asset listing:

- Street Paving Machinery with an initial cost of \$43,000 and this asset was completely depreciated.
- The County resurfaced a road in fiscal year 2017 at a cost of \$142,987 and the improvements to infrastructure were not completely included in the County's capital asset listing as of June 30, 2017.

During review of the client's prior year capital asset listing we noted the following immaterial errors in the capital assets totals reported in the County's capital asset listing which were corrected in fiscal year 2018.

- Buildings and improvements were overstated by \$4,834
- Vehicles and Heavy Machinery was understated by \$45,314, and depreciation expense was understated by \$103,197 in total.

At June 30, 2017 the County had unallocated cash balances in their pooled cash fund that exceeded cash allocations by \$333,477 which resulted in cash being understated by this amount in the prior year's financial statements. The total amount of cash was determined to be allocated to the general fund.

On January 1, 2017 the County escheated \$14,964 of unclaimed cash to the State of New Mexico and never cleared these balances off of their outstanding check listing resulting in cash being understated by this amount in their fiscal year 2017 financial statements.

Other Funds as of June 30, 2017 consisted of account groupings for EMS GRT that was being held for the Village of Los Lunas, Village of Bosque Farms, the City of Belen, the Town of Peralta, and the City of Rio Communities in the amount of \$142,992. These account groupings have been reclassified into agency fund EMS GRT as of year ended June 30, 2018. The remaining amount of fund balance in Other Funds of \$2,365,140 consisted of account groupings that were determined to belong to the general fund for various GRT revenues and have been reclassified for financial statement reporting purposes.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 19. Restatements (continued)

The Law Enforcement Fund booked unearned revenues as of June 30, 2017 in the amount of \$11,674. These revenues related to state LEPF grant which did not appear to have specific performance factors that needed to be met before the revenues could be recognized, resulting in a restatement to fund balance.

NOTE 20. Joint Powers Agreements

The County's Detention Center is a participant in a joint powers agreement with the Central New Mexico Correction Facility wherein both parties agree to maintain personnel and equipment for the preservation of peace within its own jurisdiction, and enforce security and control in and to their various establishments, districts, agencies, and municipalities. Both of the parties to the agreement are responsible. The agreement was entered into on June 8, 2009 and will remain in full force until by mutual agreement of the parties or by written notice by one party to the other giving 30 day notice of cancellation. The amount of the project and the County contributions are not readily determinable. Each party is responsible for the audit of its own related expenditures.

The County is a participant in separate joint powers agreements with the Village of Bosque Farms, Village of Los Lunas, City of Belen, and Pueblo of Isleta to provide for the holding of impounded animals at the Valencia County Animal Control Center. Valencia County agrees to report revenues while the other participants agree to report expenditures. All parties are responsible to perform their share of the agreement. The agreement was entered into on July 1, 2002 and will remain in full force until by mutual agreement of the parties or by written notice by one party to the other giving 30 day notice of cancellation. The term of the agreement is indefinite. The amount of the project and County contributions are not readily determinable. The participants are responsible for the audit of their own related expenditures.

The County is a participant in separate joint powers agreements with the Socorro County, Village of Los Lunas, Pueblo of Isleta, Village of Bosque Farms, City of Belen, Otero County, Town of Peralta, and Santo Domingo Pueblo to provide for the housing and care of adult prisoners arrested by the above jurisdictions. Valencia County agrees to report revenues while the other participants agree to report expenditures. All parties are responsible for their share of the agreement. The agreements were entered into in December 2005 and continued to be effective through June 30, 2018. The amount of the project and the County contributions are not readily determinable. The participants are responsible for the audit of their own related expenditures.

The County is a participant in a joint powers agreement between the City of Belen, Village of Los Lunas, and the Village of Bosque Farms for the establishment of a loan for the Valencia County Regional Emergency Communication Center. The Center has outgrown the current facility and needs a loan from the New Mexico Finance Authority to construct a larger facility. The revenue bonds needed to secure the loan will be secured by an irrevocable pledge of the proceeds of the Emergency Communications Gross Receipts Tax.

The County has agreements with the City of Rio Communities to provide animal control and E-911 services until which time Rio Communities is able to provide necessary services to its inhabitants without the assistance of another entity. Rio Communities will pay the County upon receipt of a detailed monthly statement outlining services rendered by the County. The County also has an agreement with City of Rio Communities to provide law enforcement protection, to be paid in a lump-sum annually by September.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 20. Joint Powers Agreements

The County also has a construction agreement with File Construction, LLC to perform work on the water storage tank and pump for the Tome-Adelino Fire Department, memoranda of agreement with Village of Bosque Farms, Village of Los Lunas, City of Belen, City of Rio Communities for the purpose of providing a medical director for EMS services, and a memorandum of agreement for the improvement of roadways in Tierra Grande with neither party reimbursing the other for costs incurred.

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
of PERA Fund Division – General and Police
Public Employees Retirement Association (PERA) Plan Last 10 Fiscal Years*

COUNTY IN SUMMATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.9505	0.3450	0.7300	0.025
County's proportionate share of the net pension liability (asset)	\$ 17,614,355	\$ 21,244,615	\$ 10,862,000	\$ 8,226,000
County's covered-employee payroll	\$ 9,573,170	\$ 9,445,000	\$ 9,037,000	\$ 8,158,000
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	184.00%	224.93%	120.19%	100.83%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%	76.99%	81.29%

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

See Independent Auditors' Report

STATE OF NEW MEXICO

Valencia County

Schedules of Required Supplementary Information

Schedules of Contributions

Fund Division – General and Police

Public Employees Retirement Association (PERA) Plan Last 10 Fiscal Years*

Schedule II

Page 1 of 3

COUNTY IN SUMMATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,055,580	\$ 1,086,000	\$ 1,425,000	\$ 8,200,000
Contributions in relation to the contractually required contribution	\$ 1,055,580	\$ 354,836	\$ 1,425,000	\$ 8,200,000

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

See Independent Auditors' Report

STATE OF NEW MEXICO

Valencia County

Schedule II

Page 2 of 3

Schedules of Required Supplementary Information

Schedules of Contributions

Fund Division – Municipal General

Public Employees Retirement Association (PERA) Plan Last 10 Fiscal Years*

MUNICIPAL GENERAL FUND

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 696,683	\$ 662,000	\$ 855,000	\$ 539,000
Contributions in relation to the contractually required contribution	\$ 696,683	\$ 662,000	\$ 855,000	\$ 539,000

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

See Independent Auditors' Report

STATE OF NEW MEXICO
Valencia County
Schedules of Contributions
Public Employees Retirement Association (PERA) Plan
PERA Fund Division - Municipal Police
Last 10 Years*

MUNICIPAL POLICE FUND

	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 358,897	\$ 424,000	\$ 570,000	\$ 281,000
Contributions in relation to the contractually required contribution	\$ 358,897	\$ 424,000	\$ 570,000	\$ 281,000

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

See Independent Auditors' Report

Valencia County

Schedules of Required Supplementary Information

**Schedule of the County's Proportionate Share of the Net OPEB Liability
Retiree Healthcare Last 10 Fiscal Years***

COUNTY IN SUMMATION

	<u>2018</u>
County's proportion of the net OPEB liability (asset)	0.2298
Countys proportionate share of the net OPEB liability (asset)	\$ 10,400,490
County's covered-employee payroll	\$ 9,899,618
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	105.06%

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

See Independent Auditors' Report

STATE OF NEW MEXICO
Valencia County
Schedules of County Contributions
Retirement Healthcare
Last 10 Fiscal Years*

Schedule IV

COUNTY IN SUMMATION

	<u>2018</u>
Contractually required contribution	\$ 197,992
Contributions in relation to the contractually required contribution	\$ 197,992

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

See Independent Auditors' Report

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SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Valencia County
Nonmajor Fund Description
June 30, 2018

Special Revenue Funds

State Award EMS

To account for grants from the State of New Mexico Health Department to be utilized for emergency services provided within the County. Funding is authorized by Section 24-10A-6, NMSA, 1978.

Fire Protection Special

To account for the operation and maintenance of the County's several fire protection districts. Funding is provided by an allotment from the State Fire Marshall's Office. The Fund was created by authority of State Statute Section 59A-53-1, NMSA 1978 Compilation.

Senior Citizens

To account for operation of the County's Senior Citizen Program. Funding is provided through the Department of Health and Human Services. The Fund was created by authority of the Older Americans Act of 1965, Title III, Parts A and F, Public Law 89-73, as amended.

County Fire Protection

To account for funds received from a dedicated gross receipts tax used to supplement the County's fire districts. The Fund was created by authority of State Statute Section 7-20E-15, NMSA 1978.

Farm and Range

To account for soil conservation and predator control activities within the County. Funding is provided by the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. Funding authorized by Section 6-11-6, NMSA 1978.

Recreation

To account for recreational funds. Financing is provided by cigarette taxes and special Federal Grants used in park development. The fund was created by authority of State Statute Section 7-12-15, NMSA 1978.

Juvenile Detention

This fund was created by County Resolution No. 2002-37 to account for the operation of the County's Juvenile Detention Center.

Regional Transit GRT

This fund is used to account for grant monies used for management, operations, capital, construction or maintenance of the transit district system. This fund was created under the authority of State Statute 7-20E-23. This fund constitutes part of the County Gross Receipts enacted by Ordinance 2008-05.

STATE OF NEW MEXICO
Valencia County
Nonmajor Fund Description
June 30, 2018

Valuation Maintenance

To account for the County's property reappraisal program pursuant to Section 7-38-38.1, NMSA Compilation. Expenditures from the County property valuation fund may be made pursuant to a property valuation program presented by the county assessor and approved by the majority of the county commissioners.

Law Enforcement

To account for a state grant restricted to equipment purchases for use in law enforcement planning and training. The fund was created under the authority of Section 29-13-4, NMSA, 1978.

County Indigent Claims

Fund was created by Section 7-20-3, New Mexico Statutes Annotated, 1978 Compilation to account for funds reserved from a County excise tax equal to one eighth of one percent of the "county gross receipts tax" adopted through County Ordinance 86-17. Expenditures are restricted to indigent care.

Solid Waste GRT

Fund was created by Section 7-20E-17, New Mexico Section Annotated, 1978 Compilation to account for operation and maintenance of the Valencia County Sanitary Landfill.

Clerk's Equipment

To account for funds restricted for the repair and replacement of equipment used in the County Clerk's office. The fund was created under the authority of Section 14-8-12.2, NMSA, 1978.

Road GRT

This fund is used to account for grant monies used for capital outlay, leasing, and purchasing road equipment. The fund was created under the authority of State Statute 07-20E-9 thru 7-20E-11. This fund constitutes part of the County Gross receipts tax enacted by Ordinance 2001-01.

Traffic Safety

This education and enforcement fund was created under Resolution No. 2002-48.

STATE OF NEW MEXICO
Valencia County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue		
	State Award EMS	Fire Protection	Senior Citizens
Assets			
Cash and cash equivalents	\$ 5,755	\$ 393,194	\$ 49,041
Gross receipt taxes receivable	-	-	-
Other receivables	-	-	50,408
Prepaid expense	-	21,072	-
Inventory	-	-	11,463
Total assets	\$ 5,755	\$ 414,266	\$ 110,912
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 4,430	\$ 30,389	\$ 14,373
Accrued salaries and benefits	-	-	18,945
Due to other funds	-	-	-
Total liabilities	\$ 4,430	\$ 30,389	\$ 33,318
Fund balance			
Nonspendable			
Inventory	-	-	11,463
Prepaid expenses	-	21,072	-
Restricted for:			
General government	-	-	-
Public safety	1,325	362,805	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	66,131
Unassigned	-	-	-
Total fund balances	1,325	383,877	77,594
Total liabilities and fund balances	\$ 5,755	\$ 414,266	\$ 110,912

See Independent Auditors' Report and Notes to Financial Statements

Special Revenue

County Fire Protection	Farm and Range	Recreation	Juvenile Detention	Regional Transit GRT
\$ 224,675	\$ -	\$ 5,141	\$ 11,422	\$ -
49,147	-	-	-	198,148
-	-	5,922	49,815	-
-	-	-	-	-
-	-	-	500	-
<u>\$ 273,822</u>	<u>\$ -</u>	<u>\$ 11,063</u>	<u>\$ 61,737</u>	<u>\$ 198,148</u>
\$ 22,932	\$ -	\$ -	\$ 41,596	\$ -
-	-	-	-	-
-	128	-	-	-
<u>\$ 22,932</u>	<u>\$ 128</u>	<u>\$ -</u>	<u>\$ 41,596</u>	<u>\$ -</u>
-	-	-	500	-
-	-	-	-	-
-	-	-	-	-
250,890	-	-	19,641	-
-	-	-	-	-
-	-	11,063	-	198,148
-	-	-	-	-
-	(128)	-	-	-
<u>250,890</u>	<u>(128)</u>	<u>11,063</u>	<u>20,141</u>	<u>198,148</u>
<u>\$ 273,822</u>	<u>\$ -</u>	<u>\$ 11,063</u>	<u>\$ 61,737</u>	<u>\$ 198,148</u>

STATE OF NEW MEXICO
Valencia County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	<u>Special Revenue</u>		
	<u>Valuation Maintenance</u>	<u>Law Enforcement</u>	<u>County Indigent Claims</u>
Assets			
Cash and cash equivalents	\$ 248,012	\$ 2,082	\$ 75,133
Gross receipt taxes receivable	-	-	-
Other receivables	-	-	-
Prepaid expense	12,427	-	-
Inventory	-	-	-
Total assets	<u>\$ 260,439</u>	<u>\$ 2,082</u>	<u>\$ 75,133</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 1,138	\$ 120	\$ -
Accrued salaries and benefits	9,233	-	1,941
Due to other funds	-	-	-
Total liabilities	<u>\$ 10,371</u>	<u>\$ 120</u>	<u>\$ 1,941</u>
Fund balance			
Nonspendable			
Inventory		-	-
Prepaid expenses	12,427	-	-
Restricted for:			
General government	237,641	-	-
Public safety	-	1,962	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	73,192
Unassigned	-	-	-
Total fund balances	<u>250,068</u>	<u>1,962</u>	<u>73,192</u>
Total liabilities and fund balances	<u>\$ 260,439</u>	<u>\$ 2,082</u>	<u>\$ 75,133</u>

See Independent Auditors' Report and Notes to Financial Statements

Special Revenue				Total Nonmajor Governmental Funds
Solid Waste GRT	Clerks Equipment	Roads GRT	Traffic Safety	
\$ 39,490	\$ 178,789	\$ 211,468	\$ -	\$ 1,444,202
28,485	-	-	-	275,780
-	-	-	4,220	110,365
-	-	-	-	33,499
-	-	-	-	11,963
<u>\$ 67,975</u>	<u>\$ 178,789</u>	<u>\$ 211,468</u>	<u>\$ 4,220</u>	<u>\$ 1,875,809</u>
\$ 16,582	\$ 367	\$ 17,052	\$ -	\$ 148,979
4,250	-	-	1,824	36,193
-	-	-	16,880	17,008
<u>\$ 20,832</u>	<u>\$ 367</u>	<u>\$ 17,052</u>	<u>\$ 18,704</u>	<u>\$ 202,180</u>
-	-	-	-	11,963
-	-	-	-	33,499
47,143	178,422	-	-	463,206
-	-	-	-	636,623
-	-	194,416	-	194,416
-	-	-	-	209,211
-	-	-	-	139,323
-	-	-	(14,484)	(14,612)
<u>47,143</u>	<u>178,422</u>	<u>194,416</u>	<u>(14,484)</u>	<u>1,673,629</u>
<u>\$ 67,975</u>	<u>\$ 178,789</u>	<u>\$ 211,468</u>	<u>\$ 4,220</u>	<u>\$ 1,875,809</u>

STATE OF NEW MEXICO
Valencia County
Combining Statement of Revenues, Expenses, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	<u>Special Revenue</u>		
	<u>State Award EMS</u>	<u>Fire Protection</u>	<u>Senior Citizens</u>
Revenues			
Gross receipt taxes	\$ -	\$ 1,125,140	\$ -
State operating grants	37,114	-	-
State capital grants	-	-	285,815
Federal operating grants	-	-	92,891
Charges for services	-	-	-
Interest income	-	-	-
Miscellaneous income	-	339	122,077
Total revenue	<u>37,114</u>	<u>1,125,479</u>	<u>500,783</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	35,998	510,274	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	959,152
Capital outlay	-	128,060	-
Total expenditures	<u>35,998</u>	<u>638,334</u>	<u>959,152</u>
Excess (deficiency) of revenues over expenditures	<u>1,116</u>	<u>487,145</u>	<u>(458,369)</u>
Other financing sources (uses)			
Transfers in	-	-	305,346
Transfers out	-	(123,914)	-
Proceeds from sale of capital assets	-	-	5,733
Total other financing sources (uses)	<u>-</u>	<u>(123,914)</u>	<u>311,079</u>
Net change in fund balance	1,116	363,231	(147,290)
Fund balance - beginning of year	209	20,646	224,884
Restatement (Note 19)	-	-	-
Fund balance - beginning of year, restated	<u>209</u>	<u>20,646</u>	<u>224,884</u>
Fund balance - end of year	<u>\$ 1,325</u>	<u>\$ 383,877</u>	<u>\$ 77,594</u>

See Independent Auditors' Report and Notes to Financial Statements

Special Revenue

County Fire Protection	Farm and Range	Recreation	Juvenile Detention	Regional Transit GRT
\$ 314,491	\$ -	\$ -	\$ -	\$ 1,036,060
-	-	-	181,056	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,015	5,054	12,870	-	-
<u>335,506</u>	<u>5,054</u>	<u>12,870</u>	<u>181,056</u>	<u>1,036,060</u>
-	-	-	-	-
215,682	-	-	349,147	-
-	-	-	-	-
-	-	13,765	-	1,150,115
-	3,983	-	-	-
164,082	-	-	-	-
<u>379,764</u>	<u>3,983</u>	<u>13,765</u>	<u>349,147</u>	<u>1,150,115</u>
<u>(44,258)</u>	<u>1,071</u>	<u>(895)</u>	<u>(168,091)</u>	<u>(114,055)</u>
-	-	-	190,849	-
(44,650)	-	-	-	-
8,568	-	-	-	-
<u>(36,082)</u>	<u>-</u>	<u>-</u>	<u>190,849</u>	<u>-</u>
(80,340)	1,071	(895)	22,758	(114,055)
331,230	(1,199)	11,958	(2,617)	312,203
-	-	-	-	-
<u>331,230</u>	<u>(1,199)</u>	<u>11,958</u>	<u>(2,617)</u>	<u>312,203</u>
<u>\$ 250,890</u>	<u>\$ (128)</u>	<u>\$ 11,063</u>	<u>\$ 20,141</u>	<u>\$ 198,148</u>

STATE OF NEW MEXICO
Valencia County
Combining Statement of Revenues, Expenses, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue		
	Valuation Maintenance	Law Enforcement	County Indigent Claims
Revenues			
Gross receipt taxes	\$ 405,009	\$ 57,600	\$ 1,862,506
State operating grants	-	-	-
State capital grants	-	-	-
Federal operating grants	-	-	-
Charges for services	-	-	-
Interest income	-	-	749
Miscellaneous income	-	1,190	3,570
Total revenue	405,009	58,790	1,866,825
Expenditures			
Current:			
General government	450,140	-	-
Public safety	-	70,380	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	1,618,737
Capital outlay	-	-	-
Total expenditures	450,140	70,380	1,618,737
Excess (deficiency) of revenues over expenditures	(45,131)	(11,590)	248,088
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(641,024)
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	-	-	(641,024)
Net change in fund balance	(45,131)	(11,590)	(392,936)
Fund balance - beginning of year	295,199	1,878	466,128
Restatement (Note 19)	-	11,674	-
Fund balance - beginning of year, restated	295,199	13,552	466,128
Fund balance - end of year	\$ 250,068	\$ 1,962	\$ 73,192

See Independent Auditors' Report and Notes to Financial Statements

Special Revenue				
Solid Waste GRT	Clerks Equipment	Roads GRT	Traffic Safety	Total Nonmajor Governmental Funds
\$ 130,945	\$ 88,280	\$ 172,473	\$ -	\$ 5,192,504
-	-	-	-	218,170
-	-	-	-	285,815
-	-	-	35,037	127,928
136,424	-	-	-	136,424
-	-	-	-	749
-	-	-	-	166,115
<u>267,369</u>	<u>88,280</u>	<u>172,473</u>	<u>35,037</u>	<u>6,127,705</u>
-	37,121	-	-	487,261
-	-	-	39,283	1,220,764
-	-	179,509	-	179,509
-	-	-	-	1,163,880
287,506	-	-	-	2,869,378
-	49,163	15,490	-	356,795
<u>287,506</u>	<u>86,284</u>	<u>194,999</u>	<u>39,283</u>	<u>6,277,587</u>
<u>(20,137)</u>	<u>1,996</u>	<u>(22,526)</u>	<u>(4,246)</u>	<u>(149,882)</u>
30,655	-	-	-	526,850
-	-	-	-	(809,588)
-	-	-	-	14,301
<u>30,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(268,437)</u>
10,518	1,996	(22,526)	(4,246)	(418,319)
36,625	176,426	216,942	(10,238)	2,080,274
-	-	-	-	11,674
<u>36,625</u>	<u>176,426</u>	<u>216,942</u>	<u>(10,238)</u>	<u>2,091,948</u>
<u>\$ 47,143</u>	<u>\$ 178,422</u>	<u>\$ 194,416</u>	<u>\$ (14,484)</u>	<u>\$ 1,673,629</u>

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Valencia County
Schedule of Deposits and Investments
June 30, 2018

Schedule V

<u>Bank Name/Account Name</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Book Balance</u>
Bank of the West					
Operational	Checking	\$ 13,278,279	\$ 50,560	\$ 685,621	\$ 12,643,218
Valencia County Hospital	Savings	25,776,656	-	-	25,776,656
Total		<u>39,054,935</u>	<u>50,560</u>	<u>685,621</u>	<u>38,419,874</u>
My Bank:					
Imates	Checking	140,410.0	2680	29420	113,670.0
Commissary	Savings	147,585.0	-	-	147,585
Total		<u>287,995</u>	<u>2,680</u>	<u>29,420</u>	<u>261,255</u>
New Mexico Bank & Trust					
Pooled Savings Account	Savings	19,850	-	-	19,850
Pooled Savings Reserve	Savings	2,314,422	-	-	2,314,422
Total		<u>2,334,272</u>	<u>-</u>	<u>-</u>	<u>2,334,272</u>
Wells Fargo					
Judicial Complex	Checking	42,517	-	-	42,517
Bank of Albuquerque					
Bond Issue Account	Checking	450,063	-	121,681	328,382
Lock Box Account	Checking	2,949	-	-	2,949
Total		<u>453,012</u>	<u>-</u>	<u>121,681</u>	<u>331,331</u>
US Bank					
Bond Issue Account	Checking	2,150	-	-	2,150
LGIP					
Investments in LGIP	Investments	31,872	-	-	31,872
Total New Mexico Finance Authority					
New Mexico Finance Authority:					
Valencia Cash & Reserves	Debt Service	49,144	-	-	49,144
Total		<u>\$ 42,255,897</u>	<u>\$ 53,240</u>	<u>\$ 836,722</u>	<u>\$ 41,472,415</u>
Petty cash					
Total Deposits					<u>\$ 41,472,415</u>
Total cash and cash equivalents per Statement of Net Position					\$ 7,129,209
Total restricted cash and cash equivalents per Statement of Net Position					6,797,531
Total Cash and cash equivalents per Statement of Fiduciary Assets and Liabilities					<u>27,545,675</u>
Total cash, cash equivalents and investments					<u>\$ 41,472,415</u>

See Independent Auditors' Report

STATE OF NEW MEXICO

Schedule VI

Valencia County

Schedule of Collateral Pledged by Depository for Public Funds

June 30, 2018

<u>CUSIP / Description</u>	<u>Description of Pledged Collateral</u>	<u>Name of Depository</u>	<u>Maturity Date</u>	<u>Fair Market Value</u>
3137AJYW8	FH 3977C AC SEQ FIX	Bank of the West	9/18/2029	\$ 524,349
3137B56H1	FH4257AASEQFIX	Bank of the West	10/15/2027	393,743
3617RXC8	G2SF MA3375	Bank of the West	1/20/2046	654,639
31300MHQ9	FHLMC SF ARM; VARIOUS	Bank of the West	1/1/2044	233,218
36179Q6N6	G2SF MA2677	Bank of the West	3/20/2045	664,954
3128MJW48	FGLMC	Bank of the West	9/1/2045	662,145
36179MNG1	GNMA2	Bank of the West	9/20/2042	610,305
3138M8J61	FNMA	Bank of the West	9/1/2042	32,075
36179RBW8	G2SF	Bank of the West	4/20/2045	785,873
31292LWF8	FHLMC	Bank of the West	9/1/2042	429,188
36179SB71	G2SF	Bank of the West	5/20/2046	443,542
36179NTU2	GNMA2	Bank of the West	11/20/2043	71,197
3138M8J61	FNMA	Bank of the West	9/1/2042	201,125
36179MSV3	GNMA2	Bank of the West	11/20/2042	149,622
36179M6H8	GNMA2	Bank of the West	3/20/2043	42,802
31417CVE2	FNMA	Bank of the West	8/1/2042	67,131
36179NM96	GNMA2	Bank of the West	9/20/2043	54,019
36176XUA5	GNMA1	Bank of the West	6/15/2042	726,325
3138MAKS6	FNMA	Bank of the West	9/1/2042	869,484
36179RBW8	G2SF	Bank of the West	4/20/2045	1,007,682
3138WHM82	FNCL	Bank of the West	12/5/2017	3,712,893
36179R7H6	G2SF	Bank of the West	4/20/2046	2,937,652
36179RBW8	G2SF	Bank of the West	12/15/2015	2,430,292
3138M93R0	FNMA	Bank of the West	9/1/2042	1,868,338
36179QL41	G2SF	Bank of the West	8/20/2044	1,508,178
36225FLV9	GNMA2	Bank of the West	2/20/2042	387,655
36179NM96	GNMA2	Bank of the West	9/20/2043	1,161,416
36179MYH7	GNMA2	Bank of the West	1/20/2043	437,873
36179NEE4	GNMA2	Bank of the West	5/20/2043	408,753
36179MYH7	GNMA2	Bank of the West	1/20/2043	673,387
Total For Bank of the West				<u>\$ 24,149,858</u>
797002416	FHL	Bank of Abluquerq	7/25/2024	\$ 2,904,825
388240FR9	Grants ETC SD1 NM	My Bank	4/15/2019	\$ 670,937
013595QQ9	N MEX SCH DIST GO SCH BDS	New Mexico Bank	8/1/2021	\$ 280,907
312904MG7	FHLMC	New Mexico Bank	10/15/2020	2,863
35563PDZ9	SCRT 2018-1 MA	New Mexico Bank	5/25/2057	1,015,521
488764XF3	CNYSY III GO Bonds	New Mexico Bank	2/1/2035	344,630
952347US9	Costa California Univ GO Bonds	New Mexico Bank	8/1/2025	1,244,130
Total for New Mexico Bank and Trust				<u>\$ 2,888,051</u>

STATE OF NEW MEXICO
Valencia County
Tax Roll Reconciliation – Changes In Property Taxes Recievable
Year Ended June 30, 2018

Schedule VII

Property taxes receivable, beginning of year	\$10,107,836
Changes to tax roll:	
Net tax charges to treasurer for tax year 2017	45,293,278
Decrease in net tax charges 2007-2015	15,354
Adjustments:	
Allowance for uncollectible taxes receivable	-
Less roll-off of 2007 taxes on ten year schedule	(340,458)
Charge off of taxes receivable current year	<u>(25,790)</u>
Total receivable prior to collections	55,050,220
Collections for fiscal year ended June 30, 2018	<u>(44,767,926)</u>
Property taxes receivable at June 30, 2018	<u><u>\$10,282,294</u></u>
Property taxes are reported as follows	
Governmental funds:	
County portion	\$3,426,474
Agency portion	<u>6,855,820</u>
Total property taxes receivable	<u><u>\$10,282,294</u></u>
Property taxes receivable by years:	
FY 2008-2016	\$7,031,328
FY 2017	<u>3,250,966</u>
Total property taxes receivable	<u><u>\$10,282,294</u></u>

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

Schedule VIII
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	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
VALENCIA COUNTY:									
Debt									
2008-2016	\$ 8,577,720	60,043	8,405,849	72,791	8,399,187	1	431	6,663	171,440
2017	1,253,989	1,160,315	1,160,315	1,138,275	1,136,814	-	-	23,501	93,674
Total Debt	9,831,709	1,220,358	9,566,164	1,211,066	9,536,001	1	431	30,164	265,114
Operational Non-Res.									
2008-2016	39,609,040	325,604	37,997,259	542,417	38,139,778	-	8,478	63,447	1,599,492
2017	5,184,052	4,763,290	4,763,290	4,435,701	4,413,071	-	-	144,253	424,573
Total Operational NR	44,793,092	5,088,894	42,760,549	4,978,118	42,552,849	-	8,478	207,700	2,024,065
Operational Res.									
2008-2016	52,244,944	409,310	51,595,010	529,484	51,564,304	9	104	30,706	649,830
2017	6,781,301	6,293,836	6,293,836	6,203,145	6,193,594	-	-	100,242	487,465
Total Operational Res.	59,026,245	6,703,146	57,888,846	6,732,629	57,757,898	9	104	130,948	1,137,295
Total Valencia County	113,651,046	13,012,398	110,215,559	12,921,813	109,846,748	10	9,013	368,812	3,426,474
STATE OF NEW MEXICO:									
State 951									
2008-2016	71,966	2,412	71,390	2,771	71,377	-	-	12	577
2017	12,541	11,248	11,248	10,869	10,837	-	-	412	1,292
Total State 951	84,507	13,660	82,638	13,640	82,214	-	-	424	1,869
State 952									
2008-2016	678	3	676	6	675	-	-	1	1
2017	146	123	123	100	95	-	-	3	4
Total State 952	824	126	799	106	770	-	-	4	5
State 953									
2008-2016	228	-	229	-	228	-	-	-	-
2017	151	123	123	110	110	-	-	13	28
Total State 953	379	123	352	110	338	-	-	13	28

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
State 954									
2008-2016	13,187	105	13,104	101	13,091	-	-	14	83
2017	3,213	2,645	2,645	2,338	2,317	-	-	327	569
Total State 954	16,400	2,750	15,749	2,439	15,408	-	-	341	652
State 955									
2017	14	12	12	11	11	-	-	1	2
State 956									
2008-2016	137,926	-	137,927	86	137,926	-	-	-	-
2017	17,629	17,627	17,627	17,598	17,598	-	-	29	1
Total State 956	155,555	17,627	155,554	17,684	155,524	-	-	29	1
State 957									
2008-2016	343	4	343	4	343	-	-	-	-
2017	123	123	123	107	107	-	-	16	-
Total State 957	466	127	466	111	450	-	-	16	-
Alpaca 958									
2017	13	13	13	10	10	-	-	-	-
Llama 960									
2017	7	7	7	5	5	-	-	2	-
STATEDEBT									
2008-2016	15,131,115	119,491	14,716,215	147,100	14,802,481	2	1,016	13,436	314,183
2017	1,960,258	1,813,825	1,913,526	1,779,373	1,777,088	-	-	36,737	146,432
Total STATEDEBT	17,091,373	1,933,316	16,629,741	1,926,473	16,579,569	2	1,016	50,173	460,615
Total State of New Mexico	17,349,538	1,967,761	16,885,331	1,960,589	16,834,299	2	1,016	51,003	463,172

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

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	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
CPSWCE CLAUNCH-PINTO SOIL & WTR									
2008-2016	342	3	342	3	342	-	-	-	-
2017	259	226	226	226	226	-	-	-	33
Total CPSWCE	601	229	568	229	568	-	-	-	33
MIDDLE RIO GRANDE CONSERVANCY									
MRGC OPR Non-Res.									
2008-2016	8,471,559	93,714	8,353,179	117,851	7,773,681	-	78	7,690	118,301
2017	810,749	745,390	745,390	734,048	1,305,330	-	-	11,869	65,359
Total Operational NR	9,282,308	839,104	9,098,569	851,899	9,079,011	-	78	19,559	183,660
MRGC OPR Res.									
2008-2016	16,237,552	138,894	15,961,094	183,968	16,048,012	-	41	13,083	176,415
2017	2,725,870	2,520,814	2,620,815	2,477,116	2,473,352	-	-	47,462	205,056
Total OPR Res.	18,963,422	2,659,708	18,581,909	2,661,084	18,521,364	-	41	60,545	381,471
Total MRGC	28,245,730	3,498,812	27,680,478	3,512,983	27,600,375	-	119	80,104	565,131
SOIL & WATER CONSERVATION									
2008-2016	1,061,772	19,203	1,028,051	24,590	1,025,780	-	59	2,270	33,661
2017	344,675	317,312	317,312	311,696	311,264	-	-	6,049	27,363
Total Soil & water	1,406,447	336,515	1,345,363	336,286	1,337,044	-	59	8,319	61,024
VILLAGE OF BOSQUE FARMS									
NR MUNOP									
2008-2016	123,649	1,912	121,549	2,390	121,208	-	-	341	1,700
2017	34,346	32,322	32,322	32,123	32,091	-	-	231	2,424
Total NR MUNOP	157,995	34,234	153,871	34,513	153,299	-	-	572	4,124
NR NUNOPER									
2008-2016	87,281	-	86,989	-	86,989	-	-	-	292
2017	-	-	-	-	-	-	-	-	-
Total NR NUNOPER	87,281	-	86,989	-	86,989	-	-	-	292

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

Schedule VIII
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	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
R MUNOP									
2008-2016	793,737	4,667	788,655	8,055	788,225	-	-	431	5,081
2017	208,355	199,716	199,716	197,963	197,759	-	-	1,957	8,639
Total R MUNOP	<u>1,002,092</u>	<u>204,383</u>	<u>988,371</u>	<u>206,018</u>	<u>985,984</u>	-	-	2,388	13,720
R MUNOPER									
2008-2016	509,431	10	509,275	10	509,275	-	-	-	156
2017	-	-	-	-	-	-	-	-	-
Total R MUNOPER	<u>509,431</u>	<u>10</u>	<u>509,275</u>	<u>10</u>	<u>509,275</u>	-	-	-	156
Total Bosque Farms	<u>1,756,799</u>	<u>238,627</u>	<u>1,738,506</u>	<u>240,541</u>	<u>1,735,547</u>	-	-	<u>2,960</u>	<u>18,292</u>
CITY OF BELEN									
NR MUNDEBT									
2008-2016	195,919	6,185	191,205	8,138	190,377	-	-	830	4,712
2017	215,785	206,036	206,036	204,289	204,259	-	-	1,775	9,751
Total NR MUNDEBT	<u>411,704</u>	<u>212,221</u>	<u>397,241</u>	<u>212,427</u>	<u>394,636</u>	-	-	2,605	14,463
NR MUNOPER									
2008-2016	2,674,449	19,853	2,642,426	23,246	2,640,500	-	1,067	1,925	30,957
2017	374,848	357,909	357,909	354,877	354,826	-	-	3,084	16,938
Total NR MUNOPER	<u>3,049,297</u>	<u>377,762</u>	<u>3,000,335</u>	<u>378,123</u>	<u>2,995,326</u>	-	1,067	5,009	47,895
R MUNDEBT									
2008-2016	237,224	12,163	226,602	16,051	226,273	-	-	329	10,623
2017	238,835	216,047	217,656	212,013	211,653	-	-	6,003	21,179
Total R MUNDEBT	<u>476,059</u>	<u>228,210</u>	<u>444,258</u>	<u>228,064</u>	<u>437,926</u>	-	-	6,332	31,802
R MUNOPER									
2008-2016	3,243,754	32,752	3,196,045	43,493	3,194,493	-	3	1,543	47,705
2017	399,948	364,482	364,482	355,032	354,429	-	-	10,062	35,466
Total R MUNOPER	<u>3,643,702</u>	<u>397,234</u>	<u>3,560,527</u>	<u>398,525</u>	<u>3,548,922</u>	-	3	11,605	83,171
Total City of Belen	<u>7,580,762</u>	<u>1,215,427</u>	<u>7,402,361</u>	<u>1,217,139</u>	<u>7,376,810</u>	-	<u>1,070</u>	<u>25,551</u>	<u>177,331</u>

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

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	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
BELEN CONS. SCHOOLS									
NR SCHCAPIMP									
2008-2016	3,543,153	26,271	3,371,858	30,857	3,377,613	-	421	5,190	170,874
2017	474,198	435,516	435,516	418,364	407,148	-	-	17,423	38,682
Total NR SCHCAPIMP	4,017,351	461,787	3,807,374	449,221	3,784,761	-	421	22,613	209,556
NR SCHDEBT									
2008-2016	13,656,149	100,963	12,996,208	118,550	12,876,281	-	1,626	19,926	655,984
2017	1,812,859	1,664,977	1,664,977	1,599,405	1,698,367	-	-	66,610	150,213
Total NR SCHDEBT	15,469,008	1,765,940	14,661,185	1,717,955	14,574,648	-	1,626	86,536	806,197
NR SCHDISTOP									
2008-2016	881,735	6,555	839,079	7,702	837,781	-	104	1,297	42,553
2017	118,549	108,879	108,878	104,591	104,523	-	-	4,356	9,671
Total NR SCHDISTOP	1,000,284	115,434	947,957	112,293	942,304	-	104	5,653	52,224
R SCHCAPIMP									
2008-2016	5,363,709	51,000	5,294,417	65,521	5,290,690	2	13	3,727	69,280
2017	677,155	620,232	620,743	609,694	608,482	-	-	12,261	56,411
Total SCHCAPIMP	6,040,864	671,232	5,915,160	675,215	5,899,172	2	13	15,988	125,691
R SCHDEBT									
2008-2016	20,661,426	195,322	20,354,580	213,670	20,455,378	7	53	14,382	267,544
2017	2,588,762	2,373,103	2,412,352	2,370,861	2,250,296	-	-	46,875	215,659
Total R SCHDEBT	23,250,188	2,568,425	22,766,932	2,584,531	22,705,674	7	53	61,257	483,203
R SCHDISTOP									
2008-2016	609,437	6,299	600,953	8,203	600,487	-	1	465	8,392
2017	84,892	77,903	77,903	76,516	76,365	-	-	1,539	7,080
Total R SCHDISTOP	694,329	84,202	678,856	84,719	676,852	-	1	2,004	15,472
BN03 BN SCHDBT									
2008-2016	10,234	-	10,232	-	10,232	-	-	-	2
2017	-	-	-	-	-	-	-	-	-
Total BN SCHDBT	10,234	-	10,232	-	10,232	-	-	-	2

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

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	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
BN03 LL SCHDBT									
2008-2016	1,434	-	1,434	-	1,434	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
Total BN LL SCHDBT	1,434	-	1,434	-	1,434	-	-	-	-
Total Belen Schools	50,483,692	5,667,020	48,789,130	5,623,934	48,595,077	9	2,218	194,051	1,692,345
SCHOOL OF DREAMS									
NR House Bill 33									
2008-2016	15,364	36	14,868	34	14,854	-	3	14	492
2017	-	-	-	-	-	-	-	-	-
Total NR House Bill 33	15,364	36	14,868	34	14,854	-	3	14	492
RR House Bill 33									
2008-2016	51,490	72	51,158	80	51,152	-	-	5	333
2017	-	-	-	-	-	-	-	-	-
Total RR House Bill 33	51,490	72	51,158	80	51,152	-	-	5	333
Total School of Dreams	66,854	108	66,026	114	66,006	-	3	19	825
LOS LUNAS CONSOLIDATED SCHOOLS									
NR HOUSE BILL 33									
2008-2016	4,691,804	42,946	4,541,646	47,649	5,051,589	-	1,524	8,267	148,634
2017	601,121	552,622	552,622	538,721	24,027	-	-	10,384	48,499
Total House Bill 33	5,292,925	595,568	5,094,268	586,370	5,075,616	-	1,524	18,651	197,133
NR SCHCAPIMP									
2008-2016	3,138,052	28,654	3,037,618	29,184	3,032,097	2	1,018	5,520	99,415
2017	400,747	368,415	368,415	361,752	361,492	-	-	6,923	32,332
Total NR SCHCAPIMP	3,538,799	397,069	3,406,033	390,936	3,393,589	2	1,018	12,443	131,747

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
NR SCHDEBT									
2008-2016	12,843,688	116,987	12,432,680	99,159	12,410,132	-	4,169	1,751	406,838
2017	1,633,446	1,501,659	1,501,659	1,494,503	1,473,441	-	-	26,468	131,787
Total NR SCHDEBT	14,477,134	1,618,646	13,934,339	1,593,662	13,883,573	-	4,169	28,219	538,625
NR SCHDISTOP									
2008-2016	750,412	7,127	726,109	7,263	724,741	-	241	1,368	24,106
2017	100,187	92,104	92,104	90,438	90,373	5	-	1,730	8,038
Total NR SCHDISTOP	850,599	99,231	818,213	97,701	815,114	5	241	3,098	32,144
R HBILL33									
2008-2016	15,331,524	101,250	15,151,401	111,421	15,123,717	1	25	7,685	186,127
2017	1,904,800	1,778,949	1,778,949	1,775,328	1,774,015	-	-	24,933	119,823
Total HBILL 33	17,236,324	1,880,199	16,930,350	1,886,749	16,897,732	1	25	32,618	305,950
R SCHCAPIMP									
2008-2016	10,254,247	67,552	10,133,945	87,008	10,128,818	1	17	5,126	120,287
2017	1,270,088	1,186,173	1,186,172	1,171,089	1,169,547	-	-	16,625	83,915
Total SCHCAPIMP	11,524,335	1,253,725	11,320,117	1,258,097	11,298,365	1	17	21,751	204,202
R SCHDEBT									
2008-2016	42,354,412	218,312	42,152,661	268,034	41,721,428	3	71	44,119	503,704
2017	5,423,658	5,132,144	4,763,290	5,100,902	5,101,988	-	-	70,995	358,345
Total R SCHDEBT	47,778,070	5,350,456	46,915,951	5,368,936	46,823,416	3	71	115,114	862,049
R SCHDISTOP									
2008-2016	968,012	6,398	956,631	8,242	956,146	-	1	486	11,380
2017	120,422	112,465	112,466	111,035	110,889	-	-	1,576	7,956
Total R SCHDISTOP	1,088,434	118,863	1,069,097	119,277	1,067,035	-	1	2,062	19,336
LL03 BN SCHDBT									
2008-2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
Total BN SCHDBT	-	-	-	-	-	-	-	-	-

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
LL03 LL SCHDBT									
2008-2016	90,857	-	90,857	-	90,857	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
Total LL03 SCHDBT	90,857	-	90,857	-	90,857	-	-	-	-
Total Los Lunas Schools	101,877,477	11,313,757	99,579,225	11,301,728	99,345,297	12	7,066	233,956	2,291,186
VILLAGE OF LOS LUNAS									
NR MUNDBT									
2008-2016	126,920	5,399	124,893	4,572	122,898	-	-	1,995	2,006
2017	105,333	99,908	99,908	97,268	97,268	-	-	2,639	5,425
Total NR MUNDBT	232,253	105,307	224,801	101,840	220,166	-	-	4,634	7,431
R MUNDBT									
2008-2016	365,613	6,171	360,171	9,549	359,530	-	-	267	5,814
2017	298,350	288,795	288,795	286,241	285,909	-	-	2,887	9,555
Total R MUNDBT	663,963	294,966	648,966	295,790	645,439	-	-	3,154	15,369
NR MUNOP									
2008-2016	5,983,977	54,000	6,021,741	48,185	6,008,702	-	687	13,039	28,839
2017	807,233	701,530	701,831	683,288	683,286	-	-	18,545	38,112
Total NR MUNOP	6,791,210	755,530	6,723,572	731,473	6,691,988	-	687	31,584	66,951
R MUNOPR									
2008-2016	15,316,868	55,634	15,256,086	75,303	15,252,039	-	-	4,048	60,780
2017	1,971,193	1,908,065	1,908,065	1,891,190	1,888,989	-	-	19,075	63,129
Total NR MUNDBT	17,288,061	1,963,699	17,164,151	1,966,493	17,141,028	-	-	23,123	123,909
Total Village of Los Lunas	24,975,487	3,119,502	24,761,490	3,095,596	24,698,621	-	687	62,495	213,660

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

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	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
TOWN OF PERALTA									
NR MUNOPER									
2008-2016	68,069	2,319	66,640	3,241	66,615	-	-	25	1,429
2017	17,115	14,992	14,993	14,610	14,590	-	-	403	2,122
Total NR MUNOPER	85,184	17,311	81,633	17,851	81,205	-	-	428	3,551
R MUNOPER									
2008-2016	464,029	8,867	456,937	11,715	456,046	-	-	890	7,093
2017	159,748	150,508	150,508	147,823	147,719	-	-	2,790	9,239
Total R MUNOPER	623,777	159,375	607,445	159,538	603,765	-	-	3,680	16,332
Total Town of Peralta	708,961	176,686	689,078	177,389	684,970	-	-	4,108	19,883
RIO COMMUNITIES									
RC MUNOPER									
2008-2016	403,019	6,970	397,085	9,974	396,379	-	-	676	5,972
2017	205,953	196,676	196,675	194,204	193,925	-	-	2,750	9,239
Total RC MUNOPER	608,972	203,646	593,760	204,178	590,304	-	-	3,426	15,211
RCMUNOP NR									
2008-2016	54,616	1,241	53,233	2,179	52,976	-	-	257	1,383
2017	30,735	29,371	29,371	29,143	29,141	-	-	230	1,363
Total RCMUNOP NR	85,351	30,612	82,604	31,322	82,117	-	-	487	2,746
Total Rio Communities	694,323	234,258	676,364	235,500	672,421	-	-	3,913	17,957
UNM VALENCIA									
BLDGLVY2									
2008-2016	10,730,955	76,546	10,470,772	93,821	10,523,278	1	1,072	8,620	214,269
2017	1,242,345	1,133,641	1,196,325	1,112,108	1,112,261	-	-	22,961	91,520
Total	11,973,300	1,210,187	11,667,097	1,205,929	11,635,539	1	1,072	31,581	305,789

STATE OF NEW MEXICO
Valencia County
Treasurers Property Tax Schedule
June 30, 2018

	Property Taxes Levied	Collected In Current Year	Collected To-Date	Distributed In Current Year	Distributed To-Date	Current Amount Uncollect.	To-Date Amount Uncollect.	Undistr. At Year End	County Receivable At Year-End
BRANCH 1R									
2008-2016	15,098,495	178,428	14,832,251	135,032	14,814,162	3	29	6,674	181,855
2017	1,802,352	1,685,233	1,750,721	1,736,493	1,732,837	-	-	29,683	135,591
Total Total Branch 1R	16,900,847	1,863,661	16,582,972	1,871,525	16,546,999	3	29	36,357	317,446
BRANCH NR									
2008-2016	6,693,419	53,881	6,420,692	59,679	6,410,384	-	1,448	10,733	270,928
2017	874,945	805,023	804,335	780,527	779,584	-	-	24,326	71,014
Total	7,568,364	858,904	7,225,027	840,206	7,189,968	-	1,448	35,059	341,942
Total UNM Valencia	36,442,511	3,932,752	35,475,096	3,917,660	35,372,506	4	2,549	102,997	965,177
VALENCIA COUNTY HOSPITAL									
2008-2016	10,345,807	28,257	10,236,274	33,300	10,234,118	-	23	2,155	108,875
2017	-	-	-	-	-	-	-	-	-
Total Hospital	10,345,807	28,257	10,236,274	33,300	10,234,118	-	23	2,155	108,875
Hospital NR									
2008-2016	6,119,990	19,826	5,888,190	19,589	5,885,801	-	1,967	2,388	229,832
2017	-	-	-	-	-	-	-	-	-
Total Hospital NR	6,119,990	19,826	5,888,190	19,589	5,885,801	-	1,967	2,388	229,832
Hospital R									
2008-2016	6,810,758	5,991	6,779,660	6,466	6,779,306	-	-	354	31,098
2017	-	-	-	-	-	-	-	-	-
Total Hospital R	6,810,758	5,991	6,779,660	6,466	6,779,306	-	-	354	31,098
Total Valencia Cnty Hospital	23,276,555	54,074	22,904,124	59,355	22,899,225	-	1,990	4,897	369,805
Totals									
2008-2016	363,223,504	2,725,614	356,166,386	3,337,748	355,852,217	32	25,790	314,171	7,031,328
2017	45,293,279	42,042,312	42,042,313	41,263,108	41,213,297	5	-	829,014	3,250,966
GRAND TOTAL	\$ 408,516,783	\$ 44,767,926	\$ 398,208,699	\$ 44,600,856	\$ 397,065,514	\$ 37	\$ 25,790	\$ 1,143,185	\$ 10,282,294

**STATE OF NEW MEXICO
Valencia County
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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
EMS GRT				
Assets				
Cash and investments	\$ 142,992	\$ 1,664,358	\$ 1,820,894	\$ (13,544)
Receivables - property taxes	-	-	-	-
Receivables - other	-	-	-	-
Total Assets	<u>\$ 142,992</u>	<u>\$ 1,664,358</u>	<u>\$ 1,820,894</u>	<u>\$ (13,544)</u>
Liabilities				
Deposits held in trust for others	\$ 142,992	\$ 1,664,358	\$ 1,820,894	\$ (13,544)
Other liabilities	-	-	-	-
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 142,992</u>	<u>\$ 1,664,358</u>	<u>\$ 1,820,894</u>	<u>\$ (13,544)</u>
Sick Leave Fund				
Assets				
Cash and investments	\$ 14,001	\$ -	\$ -	\$ 14,001
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 14,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,001</u>
Liabilities				
Deposits held in trust for others	\$ 14,001	\$ -	\$ -	\$ 14,001
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 14,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,001</u>
Children's Trust				
Assets				
Cash and investments	\$ 1,365	\$ 6,075	\$ 6,315	\$ 1,125
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 1,365</u>	<u>\$ 6,075</u>	<u>\$ 6,315</u>	<u>\$ 1,125</u>
Liabilities				
Deposits held in trust for others	\$ 1,365	\$ 6,075	\$ 6,315	\$ 1,125
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 1,365</u>	<u>\$ 6,075</u>	<u>\$ 6,315</u>	<u>\$ 1,125</u>
Belen Schools HB33 Suspense				
Assets				
Cash and investments	\$ 114	\$ -	\$ -	\$ 114
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114</u>
Liabilities				
Deposits held in trust for others	\$ 114	\$ -	\$ -	\$ 114
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114</u>

**STATE OF NEW MEXICO
Valencia County
Agency Funds**

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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 01, 2017	Additions	Deletions	Balance June 30, 2018
Electronic Federal Tax Payment System				
Assets				
Cash and investments	\$ 1,312	\$ -	\$ 647	\$ 665
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 1,312</u>	<u>\$ -</u>	<u>\$ 647</u>	<u>\$ 665</u>
Liabilities				
Deposits held in trust for others	\$ 1,312	\$ -	\$ 647	\$ 665
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 1,312</u>	<u>\$ -</u>	<u>\$ 647</u>	<u>\$ 665</u>
Homeland Security				
Assets				
Cash and investments	\$ 2,564	\$ -	\$ -	\$ 2,564
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 2,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,564</u>
Liabilities				
Deposits held in trust for others	\$ 2,564	\$ -	\$ -	\$ 2,564
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 2,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,564</u>
Sheriff's Department Evidence				
Assets				
Cash and investments	\$ 27,680	\$ 9,175	\$ 309	\$ 36,546
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 27,680</u>	<u>\$ 9,175</u>	<u>\$ 309</u>	<u>\$ 36,546</u>
Liabilities				
Deposits held in trust for others	\$ 27,680	\$ 9,175	\$ 309	\$ 36,546
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 27,680</u>	<u>\$ 9,175</u>	<u>\$ 309</u>	<u>\$ 36,546</u>
Overpayment of Taxes Fund				
Assets				
Cash and investments	\$ 179,479	\$ 93,554	\$ 6,073	\$ 266,960
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 179,479</u>	<u>\$ 93,554</u>	<u>\$ 6,073</u>	<u>\$ 266,960</u>
Liabilities				
Deposits held in trust for others	\$ 179,479	\$ 93,554	\$ 6,073	\$ 266,960
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 179,479</u>	<u>\$ 93,554</u>	<u>\$ 6,073</u>	<u>\$ 266,960</u>

**STATE OF NEW MEXICO
Valencia County
Agency Funds**

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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Twining Corporate Processing Account				
Assets				
Cash and investments	\$ 335	\$ -	\$ -	\$ 335
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335</u>
Liabilities				
Deposits held in trust for others	\$ 335	\$ -	\$ -	\$ 335
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335</u>
Taxes Paid In Advance / Receipts				
Assets				
Cash and investments	\$ 9,775	\$ -	\$ -	\$ 9,775
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 9,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,775</u>
Liabilities				
Deposits held in trust for others	\$ 9,775	\$ -	\$ -	\$ 9,775
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 9,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,775</u>
Taxes Paid Under Protest				
Assets				
Cash and investments	\$ 428	\$ -	\$ -	\$ 428
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428</u>
Liabilities				
Deposits held in trust for others	\$ 428	\$ -	\$ -	\$ 428
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428</u>
Multi-Activity-MI-LL-BLN DelRio Fund				
Assets				
Cash and investments	\$ 3,001	\$ 2,834	\$ 1,164	\$ 4,671
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 3,001</u>	<u>\$ 2,834</u>	<u>\$ 1,164</u>	<u>\$ 4,671</u>
Liabilities				
Deposits held in trust for others	\$ 3,001	\$ 2,834	\$ 1,164	\$ 4,671
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 3,001</u>	<u>\$ 2,834</u>	<u>\$ 1,164</u>	<u>\$ 4,671</u>

**STATE OF NEW MEXICO
Valencia County
Agency Funds**

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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Undistributed Current Taxes				
Assets				
Cash and investments	\$ 1,724	\$ -	\$ 487	\$ 1,237
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 1,724</u>	<u>\$ -</u>	<u>\$ 487</u>	<u>\$ 1,237</u>
Liabilities				
Deposits held in trust for others	\$ 1,724	\$ -	\$ 487	\$ 1,237
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 1,724</u>	<u>\$ -</u>	<u>\$ 487</u>	<u>\$ 1,237</u>
Undistributed Delinquent Tax				
Assets				
Cash and investments	\$ 3,646	\$ -	\$ -	\$ 3,646
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 3,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,646</u>
Liabilities				
Deposits held in trust for others	\$ 3,646	\$ -	\$ -	\$ 3,646
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 3,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,646</u>
VIA Processing Account				
Assets				
Cash and investments	\$ 1,157	\$ -	\$ -	\$ 1,157
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 1,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,157</u>
Liabilities				
Deposits held in trust for others	\$ 1,157	\$ -	\$ -	\$ 1,157
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 1,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,157</u>
Adult Detention Inmate				
Assets				
Cash and investments	\$ 101,020	\$ 303,096	\$ 309,353	\$ 94,763
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 101,020</u>	<u>\$ 303,096</u>	<u>\$ 309,353</u>	<u>\$ 94,763</u>
Liabilities				
Deposits held in trust for others	\$ 101,020	\$ 303,096	\$ 309,353	\$ 94,763
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 101,020</u>	<u>\$ 303,096</u>	<u>\$ 309,353</u>	<u>\$ 94,763</u>

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Valencia County
Agency Funds**

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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Adult Detention Commissary				
Assets				
Cash and investments	\$ 384,398	\$ 51,644	\$ 36,564	\$ 399,478
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 384,398</u>	<u>\$ 51,644</u>	<u>\$ 36,564</u>	<u>\$ 399,478</u>
Liabilities				
Deposits held in trust for others	\$ 384,398	\$ 51,644	\$ 36,564	\$ 399,478
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 384,398</u>	<u>\$ 51,644</u>	<u>\$ 36,564</u>	<u>\$ 399,478</u>
Village of Los Lunas				
Assets				
Cash and investments	\$ 35,078	\$ 3,088,308	\$ 3,064,640	\$ 58,746
Receivables - property taxes	219,099	3,082,889	3,088,308	213,680
Total Assets	<u>\$ 254,177</u>	<u>\$ 6,171,197</u>	<u>\$ 6,152,948</u>	<u>\$ 272,426</u>
Liabilities				
Deposits held in trust for others	\$ 35,078	\$ 3,088,308	\$ 3,064,640	\$ 58,746
Future tax collections	219,099	3,082,889	3,088,308	213,680
Total Liabilities	<u>\$ 254,177</u>	<u>\$ 6,171,197</u>	<u>\$ 6,152,948</u>	<u>\$ 272,426</u>
Village of Bosque Farms				
Assets				
Cash and investments	\$ 4,590	\$ 236,242	\$ 238,136	\$ 2,696
Receivables - property taxes	13,302	241,229	236,242	18,289
Total Assets	<u>\$ 17,892</u>	<u>\$ 477,471</u>	<u>\$ 474,378</u>	<u>\$ 20,985</u>
Liabilities				
Deposits held in trust for others	\$ 4,590	\$ 236,242	\$ 238,136	\$ 2,696
Future tax collections	13,302	241,229	236,242	18,289
Total Liabilities	<u>\$ 17,892</u>	<u>\$ 477,471</u>	<u>\$ 474,378</u>	<u>\$ 20,985</u>
City of Belen				
Assets				
Cash and investments	\$ 33,982	\$ 1,203,272	\$ 1,204,968	\$ 32,286
Receivables - property taxes	172,108	1,208,494	1,203,272	177,330
Total Assets	<u>\$ 206,090</u>	<u>\$ 2,411,766</u>	<u>\$ 2,408,240</u>	<u>\$ 209,616</u>
Liabilities				
Deposits held in trust for others	\$ 33,982	\$ 1,203,272	\$ 1,204,968	\$ 32,286
Future tax collections	172,108	1,208,494	1,203,272	177,330
Total Liabilities	<u>\$ 206,090</u>	<u>\$ 2,411,766</u>	<u>\$ 2,408,240</u>	<u>\$ 209,616</u>

**STATE OF NEW MEXICO
Valencia County
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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Town of Peralta				
Assets				
Cash and investments	\$ 4,535	\$ 174,921	\$ 175,616	\$ 3,840
Receivables - property taxes	19,624	175,179	174,921	19,882
Total Assets	\$ 24,159	\$ 350,100	\$ 350,537	\$ 23,722
Liabilities				
Deposits held in trust for others	\$ 4,535	\$ 174,921	\$ 175,616	\$ 3,840
Future tax collections	19,624	175,179	174,921	19,882
Total Liabilities	\$ 24,159	\$ 350,100	\$ 350,537	\$ 23,722
City of Rio Communities				
Assets				
Cash and investments	\$ 4,823	\$ 231,915	\$ 233,145	\$ 3,593
Receivables - property taxes	15,392	234,480	231,915	17,957
Total Assets	\$ 20,215	\$ 466,395	\$ 465,060	\$ 21,550
Liabilities				
Deposits held in trust for others	\$ 4,823	\$ 231,915	\$ 233,145	\$ 3,593
Future tax collections	15,392	234,480	231,915	17,957
Total Liabilities	\$ 20,215	\$ 466,395	\$ 465,060	\$ 21,550
Middle Rio Grande Conservancy District				
Assets				
Cash and investments	\$ 105,949	\$ 3,448,005	\$ 3,470,205	\$ 83,749
Receivables - property taxes	532,652	3,480,483	3,448,005	565,130
Total Assets	\$ 638,601	\$ 6,928,488	\$ 6,918,210	\$ 648,879
Liabilities				
Deposits held in trust for others	\$ 105,949	\$ 3,448,005	\$ 3,470,205	\$ 83,749
Future tax collections	532,652	3,480,483	3,448,005	565,130
Total Liabilities	\$ 638,601	\$ 6,928,488	\$ 6,918,210	\$ 648,879
Soil & Water Conservancy District				
Assets				
Cash and investments	\$ 7,522	\$ 336,514	\$ 336,285	\$ 7,751
Receivables - property taxes	52,946	344,592	336,514	61,024
Total Assets	\$ 60,468	\$ 681,106	\$ 672,799	\$ 68,775
Liabilities				
Deposits held in trust for others	\$ 7,522	\$ 336,514	\$ 336,285	\$ 7,751
Future tax collections	52,946	344,592	336,514	61,024
Total Liabilities	\$ 60,468	\$ 681,106	\$ 672,799	\$ 68,775

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Valencia County
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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Claunch-Pinto Soil & Water CF Fund				
Assets				
Cash and investments	\$ -	\$ 229	\$ 229	\$ -
Receivables - property taxes	3	226	229	-
Total Assets	<u>\$ 3</u>	<u>\$ 455</u>	<u>\$ 458</u>	<u>\$ -</u>
Liabilities				
Deposits held in trust for others	\$ -	\$ 229	\$ 229	\$ -
Future tax collections	3	226	229	-
Total Liabilities	<u>\$ 3</u>	<u>\$ 455</u>	<u>\$ 458</u>	<u>\$ -</u>
Alpaca				
Assets				
Cash and investments	\$ -	\$ 20	\$ 15	\$ 5
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 15</u>	<u>\$ 5</u>
Liabilities				
Deposits held in trust for others	\$ -	\$ 20	\$ 15	\$ 5
Other liabilities	-	-	-	-
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 15</u>	<u>\$ 5</u>
Bison				
Assets				
Cash and investments	\$ -	\$ 248	\$ 232	\$ 16
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 248</u>	<u>\$ 232</u>	<u>\$ 16</u>
Liabilities				
Deposits held in trust for others	\$ -	\$ 248	\$ 232	\$ 16
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 248</u>	<u>\$ 232</u>	<u>\$ 16</u>
Swine				
Assets				
Cash and investments	\$ -	\$ 12	\$ 11	\$ 1
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 11</u>	<u>\$ 1</u>
Liabilities				
Deposits held in trust for others	\$ -	\$ 12	\$ 11	\$ 1
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 11</u>	<u>\$ 1</u>

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Valencia County
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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
State Operational				
Assets				
Cash and investments	\$ 229,576	\$ 1,914,101	\$ 1,907,343	\$ 236,334
Receivables - property taxes	450,529	1,924,223	1,914,101	460,651
Total Assets	<u>\$ 680,105</u>	<u>\$ 3,838,324</u>	<u>\$ 3,821,444</u>	<u>\$ 696,985</u>
Liabilities				
Deposits held in trust for others	\$ 229,576	\$ 1,914,101	\$ 1,907,343	\$ 236,334
Future tax collections	450,529	1,924,223	1,914,101	460,651
Total Liabilities	<u>\$ 680,105</u>	<u>\$ 3,838,324</u>	<u>\$ 3,821,444</u>	<u>\$ 696,985</u>
Cattle Levy				
Assets				
Cash and investments	\$ 839	\$ 13,523	\$ 13,504	\$ 858
Receivables - property taxes	-	15,419	13,523	1,896
Total Assets	<u>\$ 839</u>	<u>\$ 28,942</u>	<u>\$ 27,027</u>	<u>\$ 2,754</u>
Liabilities				
Deposits held in trust for others	\$ 839	\$ 13,523	\$ 13,504	\$ 858
Future tax collections	-	15,419	13,523	1,896
Total Liabilities	<u>\$ 839</u>	<u>\$ 28,942</u>	<u>\$ 27,027</u>	<u>\$ 2,754</u>
Sheep-Goat Levy				
Assets				
Cash and investments	\$ 44	\$ 126	\$ 105	\$ 65
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 44</u>	<u>\$ 126</u>	<u>\$ 105</u>	<u>\$ 65</u>
Liabilities				
Deposits held in trust for others	\$ 44	\$ 126	\$ 105	\$ 65
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 44</u>	<u>\$ 126</u>	<u>\$ 105</u>	<u>\$ 65</u>
Equine Levy				
Assets				
Cash and investments	\$ 915	\$ 2,722	\$ 2,468	\$ 1,169
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 915</u>	<u>\$ 2,722</u>	<u>\$ 2,468</u>	<u>\$ 1,169</u>
Liabilities				
Deposits held in trust for others	\$ 915	\$ 2,722	\$ 2,468	\$ 1,169
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 915</u>	<u>\$ 2,722</u>	<u>\$ 2,468</u>	<u>\$ 1,169</u>

**STATE OF NEW MEXICO
Valencia County
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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Darry Cattle Levy				
Assets				
Cash and investments	\$ 383	\$ 17,451	\$ 17,507	\$ 327
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 383</u>	<u>\$ 17,451</u>	<u>\$ 17,507</u>	<u>\$ 327</u>
Liabilities				
Deposits held in trust for others	\$ 383	\$ 17,451	\$ 17,507	\$ 327
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 383</u>	<u>\$ 17,451</u>	<u>\$ 17,507</u>	<u>\$ 327</u>
Cost to the State				
Assets				
Cash and investments	\$ 36,694	\$ 553,718	\$ 546,317	\$ 44,095
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ 36,694</u>	<u>\$ 553,718</u>	<u>\$ 546,317</u>	<u>\$ 44,095</u>
Liabilities				
Deposits held in trust for others	\$ 36,694	\$ 553,718	\$ 546,317	\$ 44,095
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ 36,694</u>	<u>\$ 553,718</u>	<u>\$ 546,317</u>	<u>\$ 44,095</u>
State Penalty & Interest				
Assets				
Cash and investments	\$ (21,005)	\$ -	\$ -	\$ (21,005)
Receivables - property taxes	-	-	-	-
Total Assets	<u>\$ (21,005)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,005)</u>
Liabilities				
Deposits held in trust for others	\$ (21,005)	\$ -	\$ -	\$ (21,005)
Future tax collections	-	-	-	-
Total Liabilities	<u>\$ (21,005)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,005)</u>
Los Lunas Schools				
Assets				
Cash and investments	\$ 83,852	10,958,988	10,955,106	87,734
Receivables - property taxes	2,198,085	11,052,782	10,958,988	2,291,879
Total Assets	<u>\$ 2,281,937</u>	<u>\$ 22,011,770</u>	<u>\$ 21,914,094</u>	<u>\$ 2,379,613</u>
Liabilities				
Deposits held in trust for others	\$ 83,852	\$ 10,958,988	\$ 10,955,106	\$ 87,734
Future tax collections	2,198,085	11,052,782	10,958,988	2,291,879
Total Liabilities	<u>\$ 2,281,937</u>	<u>\$ 22,011,770</u>	<u>\$ 21,914,094</u>	<u>\$ 2,379,613</u>

**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Belen Schools				
Assets				
Cash and investments	\$ 259,954	\$ 5,610,860	\$ 5,571,090	\$ 299,724
Receivables - property taxes	1,680,438	5,622,763	5,610,860	1,692,341
Total Assets	<u>\$ 1,940,392</u>	<u>\$ 11,233,623</u>	<u>\$ 11,181,950</u>	<u>\$ 1,992,065</u>
Liabilities				
Deposits held in trust for others	\$ 259,954	\$ 5,610,860	\$ 5,571,090	\$ 299,724
Other liabilities	-	-	-	-
Future tax collections	1,680,438	5,622,763	5,610,860	1,692,341
Total Liabilities	<u>\$ 1,940,392</u>	<u>\$ 11,233,623</u>	<u>\$ 11,181,950</u>	<u>\$ 1,992,065</u>
School of Dreams				
Assets				
Cash and investments	\$ 3,044	\$ 235,488	\$ 234,462	\$ 4,070
Receivables - property taxes	938	235,373	235,488	823
Total Assets	<u>\$ 3,982</u>	<u>\$ 470,861</u>	<u>\$ 469,950</u>	<u>\$ 4,893</u>
Liabilities				
Deposits held in trust for others	\$ 3,044	\$ 235,488	\$ 234,462	\$ 4,070
Future tax collections	938	235,373	235,488	823
Total Liabilities	<u>\$ 3,982</u>	<u>\$ 470,861</u>	<u>\$ 469,950</u>	<u>\$ 4,893</u>
UNM Branch College				
Assets				
Cash and investments	\$ 55,346	\$ 2,722,755	\$ 2,711,812	\$ 66,289
Receivables - property taxes	642,791	2,739,308	2,722,755	659,344
Total Assets	<u>\$ 698,137</u>	<u>\$ 5,462,063</u>	<u>\$ 5,434,567</u>	<u>\$ 725,633</u>
Liabilities				
Deposits held in trust for others	\$ 55,346	\$ 2,722,755	\$ 2,711,812	\$ 66,289
Future tax collections	642,791	2,739,308	2,722,755	659,344
Total Liabilities	<u>\$ 698,137</u>	<u>\$ 5,462,063</u>	<u>\$ 5,434,567</u>	<u>\$ 725,633</u>
UNM Building Bonds				
Assets				
Cash and investments	\$ 24,963	\$ 1,210,260	\$ 1,206,029	\$ 29,194
Receivables - property taxes	305,443	1,210,606	1,210,260	305,789
Total Assets	<u>\$ 330,406</u>	<u>\$ 2,420,866</u>	<u>\$ 2,416,289</u>	<u>\$ 334,983</u>
Liabilities				
Deposits held in trust for others	\$ 24,963	\$ 1,210,260	\$ 1,206,029	\$ 29,194
Future tax collections	305,443	1,210,606	1,210,260	305,789
Total Liabilities	<u>\$ 330,406</u>	<u>\$ 2,420,866</u>	<u>\$ 2,416,289</u>	<u>\$ 334,983</u>

STATE OF NEW MEXICO

Valencia County

Agency Funds

Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2018

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	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Valencia County Hospital				
Assets				
Cash and investments	\$ 25,636,463	\$ 202,885	\$ 59,131	\$ 25,780,217
Receivables - property taxes	451,797	120,893	202,885	369,805
Total Assets	\$ 26,088,260	\$ 323,778	\$ 262,016	\$ 26,150,022
Liabilities				
Deposits held in trust for others	\$ 25,636,463	\$ 202,885	\$ 59,131	\$ 25,780,217
Future tax collections	451,797	120,893	202,885	369,805
Total Liabilities	\$ 26,088,260	\$ 323,778	\$ 262,016	\$ 26,150,022

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COMPLIANCE SECTION



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

To Mr. Wayne Johnson
New Mexico State Auditor
To the Board of Valencia County Commissioners
Los Lunas, 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, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue funds of Valencia County, New Mexico (the County) as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 16, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items FS 2017-002 and FS 2018-001.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2016-001, FS 2017-001, FS 2018-002 and FS 2018-003.

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. County's response was 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.

Southwest Accounting Solutions, LLC

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico

October 16, 2018

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FEDERAL FINANCIAL ASSISTANCE



Auditors~Consultants~CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To Mr. Wayne Johnson
New Mexico State Auditor
To the Board of Valencia County Commissioners
Los Lunas, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Valencia County's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditor's 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.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.

Southwest Accounting Solutions, LLC

Southwest Accounting Solutions, LLC
Albuquerque, New Mexico
October 16, 2018

STATE OF NEW MEXICO
Valencia County
Schedule of Expenditures of Federal Awards
June 30, 2018

<u>Federal grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Funds Provided to Subrecipients</u>	<u>Noncash Assistance</u>
US DEPT OF JUSTICE					
BJA -Edward Byrne Memorial Justice Assistance (JAG)	16.738		\$ 26,669	\$ -	\$ -
Total U.S. Dept. of Justice			<u>26,669</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed through New Mexico Department of Homeland Security Emergency Medical Transport	97.042	EMT-2017-EP-00002-S01_Valencia	42,822	-	-
Total U.S. Department of Homeland Security			<u>42,822</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through NM Department of Transportation End Driving While Impaired (ENDWI)	20.608	18-AL-64-109	24,850	-	-
Passed through NM Department of Transportation FHWA- NM DOT Manzano Express	20.205	A301390	* 1,237,728	-	-
Passed through NM Department of Transportation FHWA- NM DOT Mill Rd	20.205	A301420	5,445	-	-
Passed through NM Department of Transportation FHWA- NM DOT NM 47	20.205	A301410	2,272	-	-
Passed through NM Department of Transportation FHWA- NM DOT Gabaldon	20.205	A30130	28,323	-	-
Passed through NM Department of Transportation FHWA- NM DOT El Cerro	20.205	A301480	26,669	-	-
Total U.S. Department of Transportation			<u>1,325,286</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Administration for Community Living (ACL) Passed through Aging and Long Term Services (ALTS) Direct Purchase of Services	93.045	2017-18-60028	87,265	-	-
Passed through Aging and Long Term Services (ALTS) Nutrition Service Incentive Program (NSIP)	93.053	2017-18-60028	98,070	-	-
Total U.S. Department of Health and Human Services			<u>185,335</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards:			<u>\$ 1,580,112</u>	<u>\$ -</u>	<u>\$ -</u>

* Indicates major program

STATE OF NEW MEXICO
Valencia County
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2018

NOTE 1. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the financial statements.

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

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

The County has no federally funded insurance.

NOTE 2. General

The following is a reconciliation of the total Federal Awards of the County for the year ended June 30, 2018:

Valencia County federal expenditures as reported on the SEFA	\$ 1,580,112
Expenditures funded by other sources	<u>29,774,632</u>
Total expenditures	<u>\$31,354,744</u>

**STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Questioned Costs
June 30, 2018**

Section I: Summary of Audit Results

Financial Statements:

Type of auditors' report issued **Unmodified**

Internal control over financial reporting:

Material Weakness identified	No
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements?	No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?	No
Significant Deficiency(ies) identified?	No

Any Audit finding disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
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Identification of major federal programs and type of auditors report issued on compliance for major federal programs:

CFDA Numbers	Name of Federal Program Cluster	Type of Auditors report Issued on Compliance for Major Federal Programs
20.205	FHWA- NM DOT Manzano Express	Unmodified

Dollar threshold used to distinguish between a type A and type B programs.	\$750,000
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Auditee Qualified as a low-risk auditee?	No
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STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Questioned Costs
June 30, 2018

Section II: Prior Year Audit Findings

FS 2010-004	Budgetary Cash in Excess of Available Balances	Resolved
FS 2011-004	Cash Disbursements Transaction Cycle Control Deficiencies (Significant Deficiency)	Resolved
FS 2016-001	Stale Dated Checks (Other Matter and Non-Compliance)	Modified and repeated
FS 2016-002	Accounts Payable (Significant Deficiency)	Resolved
FS 2017-001	RHC and PERA (Other Matter and Non-Compliance)	Modified and repeated
FS 2017-002	Restatement (Significant Deficiency)	Modified and repeated
FS 2017-003	Fringe Benefits (Other Matter and Non-Compliance)	Resolved
FS 2017-004	Late Audit Submission (Other Matter and Non-Compliance)	Resolved
FS 2017-005	IT General Controls (Significant Deficiency)	Resolved

STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Questioned Costs
June 30, 2018

Section III: Audit Findings

FS 2016-001 - Stale Dated Checks (Other Non-Compliance) Repeated and Modified

Condition: The County had a total of 109 checks outstanding checks more than one year after the obligation occurred in the amount of \$22,998.75 included in their bank reconciliation. Further we noted the County escheated \$14,963.78 of stale dated checks to the state and has not cleared these items from their bank reconciliation. Further, the County did not make any progress addressing this finding in fiscal year 2018.

Criteria: The Uniform Unclaimed Property Act, (Section 7-8A-1 through 7-8A-31 NMSA 1987), requires any entity in possession of property that has been unclaimed or abandoned to report the unclaimed property to the state of New Mexico. Presumptions of Abonnement, states that "Property is presumed atoned if it is unclaimed by the apparent owner during the time set forth below for the particular property:" Section 7-8A-2(6) – "Money or credits owed to a customer as a result of a retail business transaction, three years after the obligation occurred;" Section 7-8A-2(12) – "wages or other compensation for personal services, one year after the compensation becomes payable."

Effect: The County is not in compliance with state law for abandoned property and cash is being understated for the immaterial difference of \$14,693.78 in the fund financial statements.

Cause: The County Staff has not had the adequate human resources to reconcile outstanding checks.

Auditors' Recommendations: We recommend the County reconcile all the checks outstanding reported in the bank reconciliation to the total of monies the county has escheated to the state for these checks and remove these items from the bank reconciliation. Further we recommend the County reconcile all other items not escheated to the state and correct the balance in the GL and take appropriate action based on the nature of the outstanding check and why it was created in the County's Financial Management System.

Management Response: This requires collaboration between Finance and Treasurer's office; both departments have had turnover within FY18 which contributed to this not being completed. A system is in place and we should be back on track this fiscal year.

Responsible Party: Senior Accountant

Timeline: By the end of November 2018 with continuing oversight.

FS 2017-001-Retirement Health Care (RHC) and Public Employees Retirement Association (PERA) (Other Non-Compliance) Repeated and Modified

Condition: During our test-work we noted the RHC and PERA reports were submitted late on 6 different payroll periods after the 10th of the following month. . Further, the County did not make any progress addressing this finding in fiscal year 2018.

Criteria: Monthly contributions to RHC and are required to be remitted no later than the 10th of the following month NMSA 1978 10-7C-15. In addition, per NMAC 2.80.500.8, the employer shall transmit to PERA the member and employer contributions for every member in its employ for each pay period on a timely basis.

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Effect: In accordance with the RHC and PERA rules, penalties will be assessed to the administrative unit when contributions and/or reports are not remitted by the due date and the county is in violation of state laws.

Cause: RHC and PERA payments and reports were submitted late, this appears to be caused by turnover within the payroll department.

Recommendation: We recommend that the County implement a policy that ensures a follow up review is in place to ensure all RHC and PERA payments are made by the applicable deadlines.

Management Response: Because of the lack of cross training in this area, it did not become apparent that this was happening until late 2017 and carried over into the beginning of 2018. The Finance Department is now submitting current reports on a timely basis, and has cross trained staff to ensure this does not occur in the future.

Responsible Party: Payroll Administrator will submit reports each pay period with oversight provided by the Finance Director.

Timeline: Current oversight in place to ensure these reports are submitted on a timely basis.

FS 2017-002 Restatement (Significant Deficiency) Repeated and Modified

Condition: The County had cash balances in their pooled cash in excess of allocated pooled cash in the amount of \$333,477 reported in their fiscal year 2017 audit report and the County escheated old unclaimed checks to the State in the amount of \$14,963.78 on January 27, 2017 and did not clear these checks off their outstanding check listing. As a net result opening cash balances for fiscal year 2018 was understated by \$348,441. Further, the County did not make adequate progress in addressing the issue of restatements in fiscal year 2018.

Criteria: Good accounting practices call for accurate and timely records and NMSA 1978 6-5-2 specifies that agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

Effect: Beginning cash balances for fiscal year 2018 were understated.

Cause: The Counties pooled cash and pooled cash allocated to funds is not monitored and reconciled on a monthly basis. As a result prior period cash balances had to be restated so the amounts in pooled cash allocated to funds which is reported in the fund financial statements matched the County's pooled cash account. Further the county is not clearing outstanding checks in their bank reconciliation after amounts have been escheated to the State.

Recommendation: We recommend that the County track and reconcile the pooled cash and cash allocated to funds on a monthly basis and clear outstanding checks in the bank reconciliations once amounts have been reverted to the State. This will ensure all cash is properly recorded and the cash is properly allocated to its restricted purpose.

Management Response: A journal entry will be made to fix this. Finance director will ensure this does not occur for the year ending June 30, 2019.

Responsible Party: Finance Director

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Valencia County
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June 30, 2018

Timeline: Fiscal year 2019

FS 2018-001 – Controls over Cash and Bank Reconciliation (Significant Deficiency)

Condition: During testwork we noted the following deficiencies related to controls surrounding the Counties Cash:

- Total pooled cash was \$333,477 higher than cash allocated to funds in the County's general ledger.
- A GRT was receipted 2 times in the month of June and was not corrected which resulted in the bank reconciliation overstating outstanding checks by \$44,300.

Criteria: Bank statements should be reconciled to the balances in the general ledger and subsidiary accounts as required by 1978 NMSA 6-10-2 and 6-NMAC-2.2.1.14.11.

Effect: A total of \$333,477 of the County's cash is not properly allocated to funds resulting in possible restricted cash being spent on an unintended purpose and \$40,300 was improperly reported as outstanding checks on the County's bank reconciliation.

Cause: The County's pooled cash is not properly allocating \$333,477 of total pooled cash to the funds the cash belongs to and cash was receipted twice in the month of July and was not properly corrected.

Auditors' Recommendations: We recommend the County reconcile total pooled cash to total pooled cash allocated to funds on a monthly basis, and when mistakes in the bank reconciliation process are noted that they be corrected in a timely manner.

Managements Response: Current Finance Staff identified a problem with pooled cash early in FY18 and recognize the need to fix. We have contacted our software provider to guide us through fixing this issue.

Responsible Party: Finance Director, Senior Accountant and Bookkeeper

Timeline: Fiscal Year 2019

FS 2018-002 – Department of Finance and Administration Cash Report (Other Non-Compliance)

Condition: During testwork, we noted that the County's Cash Report to the Department of Finance and Administration was over stated compared to the County's general ledger cash by \$10,752,013.

Criteria: NMSA 1978 6.6.3 states that every local public body shall make all reports as may be required by the local government division. The local government division requires that Counties file quarterly financial reports for review by the local government division.

Effect: The County is unable to provide the Department of Finance and Administration accurate cash balances which tie to the County's actual cash.

Cause: The County has not been properly reconciling cash balances to the Department of Finance and Administration reports to the County's true cash balance.

STATE OF NEW MEXICO
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Auditors' Recommendations: We recommend the County collaborate with DFA to address the issue that created the differences in cash balances reported in the Counties general ledger and the amounts reported to DFA.

Management Response: This is an inherited problem that was recognized early on by current finance staff. The Finance Director will continue work with the County's DFA Budget Analyst to get the cash balances corrected on the DFA report.

Responsible Parties: Finance Director

Timeline: Fiscal Year 2019

FS 2018-003 – Untimely Deposits of Cash receipts – (Other Non-Compliance)

Condition: During our internal control test-work over cash receipts, we noted that 1 out of 20 cash receipts tested, totaling \$634.75, were not deposited by the next business day; rather they were deposited within 72 hours of receipt.

Criteria: The State statute requires all money collected to be deposited by the following business day.

Effect: The County is not in compliance with New Mexico State statute.

Cause: The County has noted that cash travels from multiple departments to the treasurer's office for deposit and in this case the funds reached the treasurer after the 24 hour period.

Auditors' Recommendations: We recommend the County continue to train employees on the State and County policies surrounding cash handling.

Management's Response: The County will reinstate "cash handling" training on a bi-annually basis and to new employees as needed.

Responsible Party: Treasurer and Finance Director

Timeline: By December 2018.



Valencia County
Office of the County Manager
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Office: 505.866.2014 ♦ Fax: 505.866.3355

Auditee Corrective Action Plan

FS 2016-001 - Stale Dated Checks (Other Non-Compliance) Repeated and Modified

Corrective Action Plan: The Senior Accountant will reconcile all old stale dated checks and clear all items out of the Financial Accounting System.

Responsible Person: Senior Accountant

Anticipated Completion Date: January 2019

FS 2017-001-Retirement Health Care (RHC) and Public Employees Retirement Association (PERA) (Other Non-Compliance) Repeated and Modified

Corrective Action Plan: The Finance Department is now submitting current reports on a timely basis, and has cross trained staff to ensure this does not occur in the future.

Responsible Person: The Payroll Administrator will submit reports each pay period with oversight provided by the Finance Director

Anticipated Completion Date: October 16, 2018

FS 2017-002 Restatement (Significant Deficiency) Repeated and Modified

Corrective Action Plan: The Finance Director will reconcile final audited balances in the audit report to the final balances reported in the County's general ledger upon completion of the audit.

Responsible Person: Finance Director

Anticipated Completion Date: October 16, 2018

FS 2018-001 – Controls over Cash and Bank Reconciliation (Significant Deficiency)

Corrective Action Plan: The Finance Director has made the necessary journal entries to correct pooled cash allocated to the funds and has also corrected mistake noted on the July bank reconciliation immediately upon the Auditors inquiry of the mistake.

Responsible Person: Finance Director

Anticipated Completion Date: October 2018

*Jhonathan Aragon, Chair, District V □ Charles Eaton, Vice-Chair, District IV □
Helen Cole, District I □ David Carlberg, District II □ David Hyder, District III
Daniel Monette, County Manager*

FS 2018-002 – Department of Finance and Administration Cash Report (Other Non-Compliance)

Corrective Action Plan: The Finance Director will review the GL groupings that are used to report cash to the DFA and remove the items in these groupings that are incorrect. We will then have the County Commission approve an adjustment to our DFA cash in our quarterly reports.

Responsible Person: Finance Director

Anticipated Completion Date: January 2019

FS 2018-003 – Untimely Deposits of Cash receipts – (Other Non-Compliance)

Corrective Action Plan: The County will reinstate “cash handling” training on a bi-annual basis and to new employees as needed.

Responsible Person: Treasurer and Finance Director

Anticipated Completion Date: December 2018

*Charles Eaton, Chair District IV ▫ Alicia Aquilar, Vice-Chair, District II
Mary J. Andersen, District I ▫ Lawrence Romero, District III ▫ Jhonathan Aragon, District V
Jeff Condrey, County Manager*

**STATE OF NEW MEXICO
Valencia County
Exit Conference
June 30, 2018**

Exit Conference

An exit conference was held on October 16, 2018. In attendance were the following:

Representing Valencia County:

Jhonathan Aragon	Commissioner / Chairman
Danny Monette	County Manager
Loretta Trujillo	Finance Director
Deseri Sichler	Treasurer
Nancy C Sanchez	Grants Manager
Lisa Storey	Senior Accountant
Andrea Cordova	Accounts Payable
Kendra Kaneshiro	Bookkeeping Admin
Daniel Carbajal	Book Keeper
Michelle Garland	Payroll
Rustin Porter	Purchasing Agent

Representing Southwest Accounting Solutions, LLC

Robert Peixotto, CPA Managing Member

Auditor Prepared Financial Statements

Southwest Accounting Solutions, LLC prepared the GAAP-basis financial statements and footnotes of the County from the original books and records provided to us from management of the County. The responsibility for the financial statements remains with the County.