

STATE OF NEW MEXICO

Valencia County

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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Valencia County
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**STATE OF NEW MEXICO
Valencia County
Official Roster
June 30, 2019**

Board of County Commissioners

Gerard Saiz Member - District 1
David Carlberg Member – District 2
David Hyder Member - District 3
Charles D. Eaton..... Chairman - District 4
Johnathan Aragon..... Vice Chare - District 5

Elected Officials

Peggy Carabajal County Clerk
Deseri Sichler County Treasurer
Beverly Dominguez..... County Assessor
Denise Vigil..... County Sherriff
Jamie Goldberg..... County Probate Judge

Administrative Officials

Danny Monette..... County Manager
Loretta Trujillo County Finance Director

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FINANCIAL SECTION



Auditors~Consultants~CPA

INDEPENDENT AUDITOR'S REPORT

To Brian S. Colon, ESQ
New Mexico State Auditor
To the Board of Valencia County Commissioners
Los Lunas, New Mexico

Report on Financial Statements

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 fund of Valencia County, New Mexico (the County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this 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 fund of the County, as of June 30, 2019, 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 64-70 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 (Statement A-1 and Statement A-2) 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 through

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 125 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 22, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 22, 2019

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Valencia County
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Current Assets	
Cash and cash equivalents	\$ 18,032,352
Restricted cash	1,865,287
Property taxes receivable	3,615,344
Gross receipt taxes receivable	2,619,906
Other receivables, net	628,936
Prepaid expenses	1,336,724
Inventory	80,678
Total current assets	28,179,227
Noncurrent assets	
Capital assets	70,177,052
Less: Accumulated depreciation	(25,867,019)
Total noncurrent assets	44,310,033
Deferred outflows of resources	
Deferred outflows from pension	5,779,215
Deferred outflows from OPEB	403,884
Total deferred outflows	6,183,099
Total assets, and deferred outflows of resources	\$ 78,672,359

See Independent Auditors' Report and Notes to Financial Statements

	Governmental Activities
Liabilities	
Current liabilities	
Accounts payable	\$ 291,807
Accrued salaries and benefits	459,230
Accrued interest	39,615
Current portion of bonds and notes payable	1,498,976
Compensated absences	409,823
Total current liabilities	<u>2,699,451</u>
Noncurrent liabilities	
Bonds and notes payable	7,216,113
Compensated absences	174,662
Landfill closure liability	1,616,402
Net pension liability	18,136,847
Net OPEB liability	10,099,054
Total noncurrent liabilities	<u>37,243,078</u>
Total liabilities	<u>39,942,529</u>
Deferred inflows of resources	
Deferred inflows from pension	2,887,903
Deferred inflows from OPEB	2,609,410
Total deferred inflows	<u>5,497,313</u>
Net Position	
Net investment in capital assets	35,594,944
Restricted for:	
Debt Service	5,460,003
Special Revenue	4,776,016
Unrestricted	(12,598,446)
Total net position	<u>33,232,517</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 78,672,359</u>

STATE OF NEW MEXICO
Valencia County
Statement of Activities
For the Year Ended June 30, 2019

<u>Functions and Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 7,009,089	\$ 249,030	\$ 1,815,209	\$ -
Public Safety	16,387,928	235,696	720,325	-
Public Works	3,156,603	-	-	656,659
Culture and Recreation	1,430,402	-	-	19,818
Health and Welfare	3,226,648	-	118,449	355,400
Interest on Long-Term Debt	250,516	-	-	-
Total Governmental Activities	\$ 31,461,186	\$ 484,726	\$ 2,653,983	\$ 1,031,877

General Revenues:

Taxes:

Property taxes levied for general purposes

Gross receipt taxes

Gas taxes

Franchise taxes

Interest income

Gain (loss) on disposal of capital assets

Miscellaneous Income

Subtotal, General Revenues

Change in Net Position

Net Position - beginning

Net Position - ending

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

**Government
Activities**

\$	(4,944,850)
	(15,431,907)
	(2,499,944)
	(1,410,584)
	(2,752,799)
	(250,516)
	<hr/>
	(27,290,600)
	<hr/>

	13,327,733
	14,347,255
	897,627
	287,572
	36,416
	(41,895)
	1,841,871
	<hr/>
	30,696,579
	<hr/>
	3,405,979
	29,826,538
	<hr/>
\$	33,232,517
	<hr/> <hr/>

**State of New Mexico
Valencia County
Balance Sheet
Governmental Funds
June 30, 2019**

Exhibit B-1
Page 1 of 2

	<u>General Fund</u>	<u>Adult Detention Center</u>	<u>County Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental</u>
Assets					
Cash and cash equivalents	\$ 10,902,337	\$ 444,929	\$ 4,767,199	\$ 1,917,887	\$ 18,032,352
Restricted cash	1,865,287	-	-	-	1,865,287
Property taxes receivable	3,348,045	-	267,299	-	3,615,344
Gross receipt taxes receivable	1,340,184	248,502	675,033	356,187	2,619,906
Other receivables	192,494	44,128	-	392,314	628,936
Prepaid expense	931,810	372,291	-	32,623	1,336,724
Inventory	-	-	-	80,678	80,678
Due from other funds	401,531	-	-	-	401,531
Total assets	<u>\$ 18,981,688</u>	<u>\$ 1,109,850</u>	<u>\$ 5,709,531</u>	<u>2,779,689</u>	<u>\$ 28,580,758</u>
Liabilities, deferred inflows of resources, and fund balance					
Liabilities					
Accounts payable	\$ 49,896	\$ 33,252	\$ -	\$ 208,659	\$ 291,807
Accrued salaries and benefits	284,443	98,463	-	76,324	459,230
Due to other funds	-	-	-	401,531	401,531
Total liabilities	<u>334,339</u>	<u>131,715</u>	<u>-</u>	<u>686,514</u>	<u>1,152,568</u>
Deferred Inflows of Resources					
Deferred inflows - property taxes	3,109,691	-	249,528	-	3,359,219
Total liabilities and deferred inflows of resources	<u>3,444,030</u>	<u>131,715</u>	<u>249,528</u>	<u>686,514</u>	<u>4,511,787</u>
Fund balance					
Nonspendable					
Interfund Loans	401,531	-	-	-	401,531
Inventory	-	-	-	80,678	80,678
Prepaid Expenses	931,810	372,291	-	32,623	1,336,724
Spendable					
Restricted for:					
General government	-	-	-	633,119	633,119
Public safety	1,865,287	605,844	-	786,642	3,257,773
Public works	-	-	-	433,001	433,001
Culture and recreation	-	-	-	232,625	232,625
Health and welfare	-	-	-	219,498	219,498
Debt service expenditures	-	-	5,460,003	-	5,460,003
Committed to:					
Minimum fund balance	3,579,279	-	-	-	3,579,279
Unassigned	8,759,751	-	-	(325,011)	8,434,740
Total fund balances	<u>15,537,658</u>	<u>978,135</u>	<u>5,460,003</u>	<u>2,093,175</u>	<u>24,068,971</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,981,688</u>	<u>\$ 1,109,850</u>	<u>\$ 5,709,531</u>	<u>\$ 2,779,689</u>	<u>\$ 28,580,758</u>

See Independent Auditors' Report and Notes to Financial Statements

**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, 2019**

Total Fund Balance - Governmental Funds \$ 24,068,971

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	70,177,052
Less: Accumulated depreciation	(25,867,019)

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.	3,359,219
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Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:

Accrued interest	(39,615)
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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	5,779,215
Deferred inflows related to pension	(2,887,903)
Deferred outflows related to OPEB	403,884
Deferred inflows related to OPEB	(2,609,410)

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	(584,485)
Landfill closure liability	(1,616,402)
Loans payable	(8,715,089)
Net pension liability	(18,136,847)
Net OPEB liability	(10,099,054)

Total net position of governmental activities	\$ 33,232,517
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STATE OF NEW MEXICO
Valencia County
Statement of Revenues, Expenses, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

Exhibit B-2
Page 1 of 2

	General Fund	Adult Detention Center	County Debt Service	Total Nonmajor Governmental Funds	Total Governmental
Revenues					
Property taxes	\$ 12,098,655	\$ -	\$ 1,042,137	\$ -	\$ 13,140,792
Gross receipt taxes	6,510,253	1,358,494	1,057,106	5,421,402	14,347,255
Gas taxes	367,345	-	-	530,282	897,627
Franchise taxes	287,572	-	-	-	287,572
State operating grants	1,815,209	137,270	-	573,285	2,525,764
State capital grants	-	-	-	919,776	919,776
Federal operating grants	-	-	-	129,429	129,429
Federal capital grants	-	-	-	112,101	112,101
Charges for services	247,496	235,696	-	1,534	484,726
Licenses and fees	740,991	-	-	-	740,991
Interest income	8,174	-	28,185	57	36,416
Miscellaneous income	796,044	71,844	-	231,782	1,099,670
Total revenue	<u>22,871,739</u>	<u>1,803,304</u>	<u>2,127,428</u>	<u>7,919,648</u>	<u>34,722,119</u>
Expenditures					
Current:					
General government	5,555,893	-	-	580,285	6,136,178
Public safety	7,574,929	5,176,725	-	1,763,166	14,514,820
Public works	-	-	-	2,795,810	2,795,810
Culture and recreation	-	-	-	1,266,910	1,266,910
Health and welfare	851,524	-	-	2,006,325	2,857,849
Capital outlay	334,770	-	-	2,224,162	2,558,932
Debt service:					
Bond Issuance cost	-	-	71,786	-	71,786
Principal	-	-	1,641,631	-	1,641,631
Interest	-	-	242,609	-	242,609
Total expenditures	<u>14,317,116</u>	<u>5,176,725</u>	<u>1,956,026</u>	<u>10,636,658</u>	<u>32,086,525</u>
Excess (deficiency) of revenues over expenditures	<u>8,554,623</u>	<u>(3,373,421)</u>	<u>171,402</u>	<u>(2,717,010)</u>	<u>2,635,594</u>
Other financing sources (uses)					
Transfers in	2,123,951	3,530,725	170,576	2,805,146	8,630,398
Transfers out	(6,335,871)	-	(19,868)	(2,274,659)	(8,630,398)
Proceeds from sale of capital assets	2,702	-	-	-	2,702
Bond proceeds	-	-	2,550,000	-	2,550,000
Total other financing sources (uses)	<u>(4,209,218)</u>	<u>3,530,725</u>	<u>2,700,708</u>	<u>530,487</u>	<u>2,552,702</u>
Net change in fund balance	4,345,405	157,304	2,872,110	(2,186,523)	5,188,296
Fund balance - beginning of year	11,192,253	820,831	2,587,893	4,279,698	18,880,675
Fund balance - end of year	<u>\$ 15,537,658</u>	<u>\$ 978,135</u>	<u>\$ 5,460,003</u>	<u>\$ 2,093,175</u>	<u>\$ 24,068,971</u>

See Independent Auditors' Report and Notes to Financial Statements

**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, 2019**

Net Change in Fund Balance - Governmental Funds \$ 5,188,296

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	2,558,932
Depreciation expense	(2,352,048)

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	(44,597)
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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	(1,316,137)
Change in net OPEB liability	66,976

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

186,941

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	(7,907)
Increase in accrued compensated absences	8,965

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:

Issuance of long term debt	(2,550,000)
Principal payments on bonds and loans payable	1,641,631
Amortization of landfill liability	24,927

Change in Net Position - Governmental Activities \$ 3,405,979

STATE OF NEW MEXICO
Valencia County
General Fund

Exhibit C-1

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	Non-GAAP Basis	Final to actual
Revenues				
Taxes:				
Property taxes	\$ 11,202,000	\$ 12,628,017	12,107,827	\$ (520,190)
Gross receipts taxes	6,898,454	6,620,615	6,555,565	(65,050)
Franchise tax	103,000	287,573	287,572	(1)
Gasoline and motor vehicle	343,404	368,724	368,724	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	1,638,799	1,808,640	1,805,838	(2,802)
State capital grants	-	-	-	-
Charges for services	183,715	247,497	247,496	(1)
Licenses and fees	682,566	740,996	740,991	(5)
Interest income	1,100	8,175	8,174	(1)
Miscellaneous	570,809	1,065,598	874,907	(190,691)
Total revenue	21,623,847	23,775,835	22,997,094	(778,741)
Expenditures				
Current				
General government	6,281,641	6,568,206	5,594,802	973,404
Public safety	8,306,740	8,864,332	7,382,029	1,482,303
Health and welfare	930,870	919,517	834,524	84,993
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	242,000	607,821	405,177	202,644
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	15,761,251	16,959,876	14,216,532	2,743,344
Excess (deficiency) of revenues over expenditures	5,862,596	6,815,959	8,780,562	1,964,603
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	(5,862,596)	(6,815,959)		
Transfers in	744,658	2,104,083	2,123,951	19,868
Transfers out	(6,562,000)	(6,657,629)	(6,335,871)	321,758
Total other financing sources (uses)	(5,817,342)	(4,553,546)	(4,211,920)	341,626
Net Change in fund balance	\$ 45,254	\$ 2,262,413	4,568,642	2,306,229
Fund balance - beginning of year			7,156,596	
Fund balance - end of year			\$ 11,725,238	
Net change in fund balance (non-GAAP budgetary basis)			4,568,642	
Adjustments to revenue for changes in receivables			(122,653)	
Adjustment to expenditures for changes in payables			(100,584)	
Net Change in fund balance (GAAP basis)			\$ 4,345,405	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO

Exhibit C-2

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, 2019**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	Non-GAAP Basis	Final to actual
Revenues				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	1,399,324	1,326,806	1,326,806	-
Franchise tax	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	290,000	137,270	137,270	-
State capital grants	-	-	-	-
Charges for services	161,000	219,837	219,836	(1)
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	71,846	71,844	(2)
Total revenue	<u>1,850,324</u>	<u>1,755,759</u>	<u>1,755,756</u>	<u>(3)</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	5,625,226	5,680,721	4,881,455	799,266
Health and Welfare	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>5,625,226</u>	<u>5,680,721</u>	<u>4,881,455</u>	<u>799,266</u>
Excess (deficiency) of revenues over expenditures	<u>(3,774,902)</u>	<u>(3,924,962)</u>	<u>(3,125,699)</u>	<u>799,263</u>
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	3,774,902	3,924,962	-	-
Transfers in	3,530,725	3,586,220	3,530,725	(55,495)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,530,725</u>	<u>3,586,220</u>	<u>3,530,725</u>	<u>(55,495)</u>
Net Change in fund balance	<u>\$ (244,177)</u>	<u>\$ (338,742)</u>	405,026	743,768
Fund balance - beginning of year			-	
Fund balance - end of year			<u>\$ 405,026</u>	
Net change in fund balance (non-GAAP budgetary basis)			405,026	
Adjustments to revenue for changes in receivables			47,548	
Adjustment to expenditures for changes in payables			(295,270)	
Net Change in fund balance (GAAP basis)			<u>\$ 157,304</u>	

See Independent Auditors' Report and Notes to Financial Statements

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FIDUCIARY FUNDS

STATE OF NEW MEXICO
Valencia County
Statement of Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

Exhibit-D

	Balance June 30, 2019
Assets	
Cash and cash equivalents	\$ 28,037,095
Property taxes receivable	7,224,280
Total assets	<u>35,261,375</u>
Liabilities	
Deposits held in trust for others	1,910,465
Deposits held in trust for hospital levy	26,126,630
Future Taxes collectable	7,224,280
Total liabilities	<u>\$ 35,261,375</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, 2019

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, 2019

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, 2019

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, 2019

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.

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.

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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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.

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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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.

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	7-50 Years
Equipment	5-25 Years
Infrastructure	35-50 Years

Accrued Expenses: Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2019, along with applicable PERA and Retiree Health Care.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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.

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 (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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, 2019. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing 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.

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, 2019, the non-spendable fund balances in the funds are made up of interfund loans in the amount of \$401,531, inventory in the amount of \$141,033 and prepaid expenses in the amount of \$1,336,724 that are not in spendable form.

Restricted Fund Balance: At June 30, 2019, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$10,236,019 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 page 18.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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, 2019 is \$3,579,279.

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.”

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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the 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, 2019. 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.

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, 2019.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the 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.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 3. Deposits and Investments (continued)

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, 2019, \$ 45,504,902 of the County's bank balance of \$46,581,974 was exposed to custodial credit risk, \$28,234,355 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 \$17,383,306 was uninsured and uncollateralized at June 30, 2019.

	Bank of the West	United Busienss Bank	New Mexico Bank & Trust	Bank of Albuquerque	US Bank	Total
Deposits	\$ 43,782,123	\$ 263,645	\$ 2,321,893	\$ 137,241	\$ 77,072	\$ 46,581,974
Less: FDIC Coverage	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)
Total uninsured public funds	43,532,123	\$ 13,645	\$ 2,071,893	(112,759)	-	45,504,902
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the	26,148,817	13,645	2,071,893	-	-	28,234,355
Uninsured and uncollateralized	\$ 17,383,306	\$ -	\$ -	\$ -	\$ -	\$ 17,383,306
Collateral requirements (50% of uninsured funds)	\$ 21,766,062	\$ 6,823	\$ 1,035,947	\$ -	\$ -	\$ 22,808,831
Pledged Collateral	26,148,817	300,000	3,285,160	-	-	29,733,977
Over (under) collateralized	\$ 4,382,756	\$ 293,177	\$ 2,249,214	\$ -	\$ -	\$ 6,925,146

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	\$ 18,032,352
Restricted cash and cash equivalents per Exhibit A-1	1,865,287
Agency Cash Exhibit D	28,037,095
Total cash and cash equivalents	\$ 47,934,734
Add: Outstanding checks	1,288,213
Less: Outstanding deposits	(52,992)
Less: LGIP Cash	(31,872)
Less: Cash held at the NMFA	(2,556,109)
Bank balance of deposits	\$ 46,581,974

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 3. Deposits and Investments (continued)

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

As of June 30, 2019, the County had a total of \$31,872 invested in LGIP investments.

NOTE 4. Accounts and Taxes Receivable

Receivables as of June 30, 2019 consisted of the following; management considers all receivables as of June 30, 2019 to be fully collectable.

	Governmental Funds
Property taxes receivable	3,615,344
GRT receivable	2,619,906
Fuel tax recieveable	60,491
MVD receivables	87,299
Grants recieveable	270,311
Other receivables	210,835
Total gross receivables	\$ 6,864,186
	Agency Funds
Property taxes receivable	\$ 7,224,280

In the above receivable balances the County accrued \$3,359,219 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, 2019

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, 2019 is as follows:

<u>Due from:</u>	<u>Due to:</u>	<u>Amount</u>
General Fund	Intergovernmental Grants	\$ 42,670
General Fund	Farm and Range	4,491
General Fund	Juvenile Detention	12,293
General Fund	Solid Waste GRT	13,720
General Fund	Traffic Safety	18,193
General Fund	2015 Revenue Bond	310,164
Total		<u>\$ 401,531</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, 2019 is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
County Debt Service	Fire Protection	16,806
County Debt Service	County Fire Protection	12,744
County Debt Service	Fire Protection	39,735
County Debt Service	Fire Protection	25,618
County Debt Service	Fire Protection	19,073
County Debt Service	Fire Protection	22,684
Juvenile Detention	General Fund	242,483
Roads	General Fund	1,608,301
Senior Center	General Fund	293,049
County Fire Protection	General Fund	37,181
Intergovernmental Grants	General Fund	239,848
2015 Revenue Bonds Capital Projects	General Fund	384,284
Adult Detention Center	General Fund	3,530,725
General Fund	Intergovernmental Grants	1,226,577
General Fund	County Debt Service	19,868
County Debt Service	County Fire Protection	33,916
General Fund	County Indigent Fund	877,506
Total		<u>8,630,398</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows (land and construction in progress is not subject to depreciation):

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>CIP Transfers</u>	<u>Balance 6/30/2019</u>
Capital assets, not depreciated					
Land & land Improvements	\$ 2,765,619	\$ 803	\$ -		\$ 2,766,422
Construction in Progress	<u>692,158</u>	<u>657,418</u>	<u>-</u>	<u>(741,275)</u>	<u>608,301</u>
Total not depreciated	<u>3,457,777</u>	<u>658,221</u>	<u>-</u>	<u>(741,275)</u>	<u>3,374,723</u>
Capital assets, depreciated					
Buildings & Improvements	24,741,483	84,797	-	104,946	24,931,226
Equipment	2,081,151	267,277	(227,641)	24,761	2,145,548
Vehicles & Heavy Machinery	12,626,375	336,719	-	45,874	13,008,968
Infrastructure: Roads	<u>24,938,975</u>	<u>1,211,918</u>	<u>-</u>	<u>565,694</u>	<u>26,716,587</u>
Total depreciated	<u>64,387,984</u>	<u>\$ 1,900,711</u>	<u>\$ (227,641)</u>	<u>\$ 741,275</u>	<u>66,802,329</u>
Total capital assets	<u>\$ 67,845,761</u>				<u>\$ 70,177,052</u>
Accumulated depreciation					
Buildings & Building Equipment	\$ 8,028,445	\$ 492,626	-	-	\$ 8,521,071
Equipment	1,208,742	311,280	(183,043)	-	1,336,979
Vehicles & Heavy Machinery	8,239,102	797,927	-	-	9,037,029
Infrastructure: Roads	<u>6,221,726</u>	<u>750,214</u>	<u>-</u>	<u>-</u>	<u>6,971,940</u>
Total accumulated depreciation	<u>\$ 23,698,015</u>	<u>\$ 2,352,047</u>	<u>\$ (183,043)</u>	<u>\$ -</u>	<u>\$ 25,867,019</u>
Net Capital Assets	<u>\$ 40,938,159</u>				<u>\$ 44,310,033</u>

Depreciation expense was charged to the following Governmental Activities:

General government	\$ 528,207
Public safety	1,235,000
Public works	237,883
Culture and recreation	107,796
Health and welfare	243,161
Total	<u>\$ 2,352,047</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7. Long-term Debt

During the year ended June 30, 2019, the following changes occurred in the long term debt reported in the Government-Wide Statement of Net Position:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year
Bonds Payable:					
GO Bonds Series 2011 Judicial Complex	\$ 925,000	\$ -	\$ 925,000	\$ -	\$ -
GO Bonds Series 2011 Public Safety	70,000	-	70,000	-	-
GRT Revenue Bonds Series 2015	6,235,000	-	490,000	5,745,000	505,000
General Obligation Bonds, Series 2019		2,550,000	-	2,550,000	850,000
Subtotal bonds	<u>\$ 7,230,000</u>	<u>\$ 2,550,000</u>	<u>\$ 1,485,000</u>	<u>\$ 8,295,000</u>	<u>\$ 1,355,000</u>
NMFA Loans Payable:					
Highland Meadow Pumper	\$ 16,206	\$ -	\$ 16,206	\$ -	\$ -
Fire/EMS Response Truck	95,142	-	30,727	64,415	31,677
Tome Adelino Fire Pumper	146,582	-	35,272	111,310	36,310
Jarales/Puebloitos Fire Truck	39,418	-	12,726	26,692	13,122
El Cerrofire Truck	75,074	-	18,196	56,878	18,543
Manzano Vista Fire Truck	85,459	-	20,709	64,750	21,107
Los Chavez Fire Pumper	118,839	-	22,795	96,044	23,217
Subtotal NMFA Loans	<u>\$ 576,720</u>	<u>\$ -</u>	<u>\$ 156,631</u>	<u>\$ 420,089</u>	<u>\$ 143,976</u>
Total Bonds and NMFA Loans	<u>\$ 7,806,720</u>	<u>\$ 2,550,000</u>	<u>\$ 1,641,631</u>	<u>\$ 8,715,089</u>	<u>\$ 1,498,976</u>
Accrued compensated absences	<u>593,450</u>	<u>400,858</u>	<u>409,823</u>	<u>584,485</u>	<u>409,823</u>
Total Long-term debt	<u>\$ 8,400,170</u>	<u>\$ 2,950,858</u>	<u>\$ 2,051,454</u>	<u>\$ 9,299,574</u>	<u>\$ 1,908,799</u>

General Obligation 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 was completely retired in fiscal year 2019.

On February 1, 2019, voters of the County authorized the issuance of \$2,550,000 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 was completely retired in fiscal year 2019.

On August 21, 2018 voters of the County authorized the issuance of \$5,100,000 General Obligation bonds to be repaid from property taxes for the purpose of constructing and repairing public roads and purchasing capital equipment for such projects. On February 1, 2019 the County issued \$2,550,000 of this authorized issuance to the New Mexico Finance Authority for 100% of the principal with an average interest rate of 2.27%. Payments are due semi-annually on August 1 and February 1.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7. Long-term Debt (continued)

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 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.

The annual requirements to amortize the above bonds payable as of June 30, 2019 including interest payments are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 1,355,000	\$ 242,072	\$ 1,597,072
2021	1,365,000	211,291	1,576,291
2022	595,000	186,667	781,667
2023	610,000	169,753	779,753
2024	565,000	147,158	712,158
2025-2029	2,140,000	446,377	2,586,377
2030-2034	1,385,000	175,719	1,560,719
2035	280,000	9,450	289,450
	<u>\$ 8,295,000</u>	<u>\$ 1,588,487</u>	<u>\$ 9,883,487</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 6/30/2019 is as follows:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of	Balance June 30, 2019
Highland Meadow Pumper	September 19, 2008	May 1, 2019	3.50%	\$ 137,025	\$ -
Fire/EMS Response Truck	May 13, 2011	May 1, 2021	2.70%	293,496	64,415
Tome Adelino Fire Pumper	June 10, 2011	May 1, 2022	2.60%	343,762	111,310
Jarales/Puebloitos Fire Truck	October 28, 2011	May 1, 2021	0.60%	112,966	26,692
El Cerrofire Truck	October 28, 2011	May 1, 2022	1.10%	177,625	56,878
Manzano Vista Fire Truck	October 28, 2011	May 1, 2022	1.90%	203,000	64,750
Los Chavez Fire Pumper	January 27, 2012	May 1, 2023	2.10%	248,574	96,044
Total NMFA Revenue Notes				<u>\$ 1,516,448</u>	<u>\$ 420,089</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7. Long-term Debt (continued)

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

Fiscal year Ending June 30,	Principal	Interest	Total Debt Service
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
	\$ 420,089	\$ 22,158	\$ 442,247

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, 2019, compensated absences decreased \$8,965 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. On June 30, 2019 the County reported a landfill liability of \$1,641,329 and in fiscal year 2019 the county spent \$24,927 on post closure care and monitoring costs resulting in the ending landfill liability of \$1,616,402 at June 30, 2019. 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, 2019 were as follows:

Fund	Amount
Farm and Range	\$ (1,134)
Juvenile Detention Center	\$ (12,520)
Traffic Safety	\$ (18,193)
2015 Revenue Bond	\$ (293,164)

- B. Designated cash appropriations exceed available balances in the following funds for the year ended June 30, 2019:

Fund	Amount
Farm and Range	\$ 4,363
Adult Detention Center	\$ 338,742

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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.

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, 2019, no potential liability exists and the funds involved are properly held in the County's agency fund (Hospital Fund 801).

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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, 2018 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2018.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 FY18 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_2018.pdf.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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 \$973,692 for the year ended June 30, 2019. 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, 2018						
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%

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Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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, 2018. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2018, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2018.

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, 2018. Only employer contributions for the pay period end dates that fell within the period of July 1, 2017 to June 30, 2018 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to fiscal year 2018 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA, its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General, at June 30, 2019, the County reported a liability of \$11,418,879 for its proportionate share of the net pension liability. Its proportionate percentage was .7162%.

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Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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

For the year ended June 30, 2019, the County recognized PERA Fund Division Municipal General Pension expense of \$855,489. At June 30, 2018, the County reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 330,028	\$ 299,799
Changes of assumptions	1,035,282	65,654
Net difference between projected and actual earnings on pension plan investments	846,882	-
Changes in proportion and differences between County's contributions and proportionate share of contributions	627,444	1,358,005
County's contributions subsequent to the measurement date	632,900	-
Total	\$ 3,472,536	\$ 1,723,458

\$632,900 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date June 30, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amount
2020	\$ 1,213,252
2021	196,996
2022	(332,223)
2023	38,054
Thereafter	-
Total	\$ 1,116,079

For PERA Fund Division Municipal Police, at June 30, 2019, the County reported a liability of \$6,717,968 for its proportionate share of the net pension liability. Its proportionate percentage was .9846%.

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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

For the year ended June 30, 2019, the County recognized PERA Fund Division Municipal Police pension expense of \$460,648. At June 30, 2019, the County reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 328,881	\$ 665,924
Changes of assumptions	766,529	41,070
Net difference between projected and actual earnings on pension plan investments	462,292	-
Changes in proportion and differences between County's contributions and proportionate share of contributions	408,185	457,451
County's contributions subsequent to the measurement date	<u>340,792</u>	<u>-</u>
Total	<u>\$ 2,306,679</u>	<u>\$ 1,164,445</u>

The County's contributions of \$340,792 are reported as deferred outflows of resources related to pensions, resulting in the County's contributions subsequent to the measurement date June 30, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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>
2020	\$ 725,774
2021	(25,536)
2022	77,824
2023	23,380
Thereafter	-
Total	<u>\$ 801,442</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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

Actuarial Assumptions: The total pension liability at June 30, 2019 was determined using the following actuarial assumptions:

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Asset valuation method	4 year smoothed Market Value
Retirement	Changes to current assumed rates of
Disability	Lower rates for State police, Muni Male and
Remaining Amortization Period	30 Years
Administrative Expenses	.5% of Payroll
Actuarial assumptions:	Fair value
Investment rate of return	7.25% Static
Payroll growth	3.00% Static
Projected salary increases	3.25%-13.5%
Real investment Return	4.75% above inflation.
Mortality assumption	RPH-2014 Blue Collar Mortality

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%	7.48%
Risk Reduction	21.5%	2.37%
Credit Oriented	15.0%	5.47%
Real Assets	20.0%	6.48%
Total	<u>100%</u>	

Discount rate

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

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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 (6.25%) or one percentage point higher (8.25%) than the single discount rate.

<u>PERA Fund Division Municipal Government</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability	\$ 17,595,727	\$ 11,418,879	\$ 6,312,726
<u>PERA Fund Division Municipal Police</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability	\$ 10,329,478	\$ 6,717,968	\$ 3,773,732

Detailed information about the pension plan's fiduciary net position is available in the separately issued FY18 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, 2019, 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, 2019

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 \$177,469 for the year ending June 30, 2019.

At June 30, 2018, the County reported a liability of \$10,099,054 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2019, the County's proportion was .0.23225 percent.

For the year ended June 30, 2019, the County recognized OPEB expense of \$(66,976). At June 30, 2019 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 597,929
Changes in Proportions	126,239	-
Changes of assumptions	-	1,885,449
Net difference between projected and actual earnings on OPEB plan investments	-	126,032
County's contributions subsequent to the measurement date	277,645	-
Total	<u>\$ 403,884</u>	<u>\$ 2,609,410</u>

Deferred outflows of resources totaling \$277,645 represent the County's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2020	\$ (636,249)
2021	(636,249)
2022	(636,249)
2023	(485,253)
2024	(89,171)
Total	<u>\$ (2,483,171)</u>

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100%	

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

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 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 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, 4.08% is the blended discount rate.

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

The following presents the net OPEB liability of the County, as well as what the County’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

<u>RHC Fund Division Municipal Government</u>	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
County's proportionate share of the net OPEB liability	\$ 12,222,234	\$ 10,099,054	\$ 8,425,515

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2018.

NOTE 13. Subsequent Events

The date to which events occurring after June 30, 2019, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is October 22, 2019 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 \$10,236,019. For descriptions of the related enabling legislation for special revenue, capital projects, see page 30 and pages 72-73 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, 2019

NOTE 15. Federal and State Grants

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. 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.

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	Accurate Machine & Tool Co., Inc. and ACIM Inc.
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: Annotated, 1978 Compilation	Sections 3-32-1 to 3-32-16 New Mexico Statutes
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: \$21,881	
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, 2019

NOTE 17. Tax Abatements (continued)

Abating Agency Name	Village of Los Lunas
Abating Agency Type	Local Government
Tax Abatement Agreement Name	Medical Care Project
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	GRT
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: \$21,131.10

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 taxes
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: \$29,805.20

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, 2019

NOTE 17. Tax Abatements (continued)

<p>Abating Agency Name Abating Agency Type Tax Abatement Agreement Name Name of Agency Affected by Abatement Agreement (Affected Agency) Agency Number of Affected Agency Agency Type of Affected Agency Recipient(s) of Tax Abatement Tax Abatement Program (name and brief description)</p> <p>Specific Tax(es) Being Abated</p> <p>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</p> <p>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: \$72,091.70</p> <p>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</p> <p>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</p>	<p>Village of Los Lunas Local Government Industrial Revenue Bond Project Agreement Village of Los Lunas 5032 County Property Tax Industrial Revenue Bonds - Wal-Mart Stores East, Inc. Project-Series 1997; \$50,000,000 Property Tax</p>
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<p>Abating Agency Name Abating Agency Type Tax Abatement Agreement Name Name of Agency Affected by Abatement Agreement (Affected Agency) Agency Number of Affected Agency Agency Type of Affected Agency Recipient(s) of Tax Abatement Tax Abatement Program (name and brief description)</p> <p>Specific Tax(es) Being Abated</p> <p>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.</p> <p>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: \$28,287.02</p> <p>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</p> <p>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</p>	<p>City of Belen Local Government Industrial Revenue Bond Project Agreement City of Belen 5032 County Resin Partners Industrial Revenue Bonds – Resin Partners, Inc. Project Series 2017 \$40,000,000 Property Tax</p>
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NOTE 18. Related Party

As of June 30, 2019, 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, 2019

NOTE 19. Joint Powers Agreements

Inmate Confinement Valencia County and Bernalillo County

Participants	Valencia County Bernalillo County
Description	Bernalillo County shall accept and provide for the secure custody, care, and safekeeping of Valencia County's Psychiatric Acute Care inmate(s) on a space available basis in accordance with Federal, State and local laws, standards, policies, procedures, or court orders applicable to the operations of MDC; a Psychiatric Acute Care Inmate ("Inmate") is defined as a person who has been diagnosed as such by a medical professional and whereby a written assessment has been performed. Valencia County agrees to provide MDC with a written assessment of the Inmate prior to acceptance of the Inmate by the MDC Deputy Chief of Security. Further, Valencia County understands and agrees it will only deliver to Bernalillo County, Inmates as defined herein. Furthermore, as Bernalillo County's space availability for accepting Psychiatric Acute Care Inmates is limited to ten (10) Inmates statewide, Bernalillo County shall make the determination as to the number of these spaces which can be made available to Valencia County.
Term of Agreement	This Agreement shall become effective when signed by both Parties. The initial term of the Agreement is one (1) year. Unless either party provides sixty (60) days written notice to the other party of its intent not to renew the Agreement, the Agreement will automatically be renewed for three (3) additional one-year terms, not to exceed a total of four (4) years.
Amount of Project	\$164 Per day per inmate
County Contributions	Unknown
Audit Responsibility	Valencia County and Bernalillo County

Housing and Care of Adult Prisoners Valencia County and City of Belen

Participants	Valencia County City Of Belen
Description	The County agrees to confine and house all individuals, who are over the age of 18, arrested by Municipal Law Enforcement Officers for violation of the Municipality's Laws or that are sentenced to detention or confinement by the City of Belen Municipal Court
Term of Agreement	The Agreement was signed on July 11, 2018 and the Agreement will automatically renew each year for an additional year up to a total of four (4) years unless either party gives written notice of its intent to terminate the Agreement.
Amount of Project	The Municipality will pay the County the sum of \$95.00 per day or any for each Municipal Detainee confined at the Detention Center.
County Contributions	Unknown
Audit Responsibility	Valencia County City of Belen

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 19. Joint Powers Agreements (continued)

Housing and Care of Adult Prisoners Arrested by Village of Bosque Farms

Participants	Valencia County Village of Bosque Farms
Description	The County agrees to confine and house all individuals, who are over the age of 18, arrested by Municipal Law Enforcement Officers for violation of the Municipality's Laws or that are sentenced to detention or confinement by the Village of Bosque Farms Municipal Court
Term of Agreement	The agreement was signed on July 11, 2018 and the agreement is for one (1) year from the date the last party approved this Agreement (the "effective date"). The Agreement will automatically renew each year for an additional year up to a total of four (4) years.
Amount of Project	The Municipality will pay the County the sum of \$95.00 per day or any fraction thereof for each Municipal Detainee confined at the Detention Center
County Contributions	Unknown
Audit Responsibility	Valencia County and Village of Bosque Farms

Housing and Care for Animals between Valencia County and Bosque Farms

Participants	Valencia County Village of Bosque Farms
Description	The County shall respond to animal control calls in the municipality for mutual aid when prior notice is given by Bosque farms to the Animal Control Director of Valencia County. The County will provide housing, veterinary care, food and water for animals.
Term of Agreement	Perpetual, unless terminated by either party
Amount of Project	Bosque Farms will pay the County a rate of \$24.00 per hour worked per Animal Control Officer. Cost per animal for surrendered will be \$100.00 dollars. 4) Animals surrendered for euthanasia will be charged \$40.00 per animal. Seized animals on Bosque Farms Court Hold (Protective Custody) status will be held at a cost of \$35 per day until released by the City Judge.
County Contributions	Unknown
Audit Responsibility	Valencia County Village of Bosque Farms

Mutual Assistance between Central New Mexico Corrections Facility and Valencia County Detention Center

Participants	Valencia County Central New Mexico Corrections Facility
Description	Valencia County Detention Center and Central New Mexico Corrections Facility agree to share personnel and use of equipment in the care and transport of inmates.
Term of Agreement	Perpetual, unless terminated by either party
Amount of Project	Undeterminable
County Contributions	Unknown
Audit Responsibility	Valencia County Central New Mexico Corrections Facility

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 19. Joint Powers Agreements (continued)

Housing and Care of Adult Prisoners Arrested by Isleta Pueblo

Participants	Valencia County Isleta Pueblo
Description	The County agrees to confine and house all individuals, who are over the age of 18, arrested by Pueblo Law Enforcement Officers for violation of the Pueblo's Laws or that are sentenced to detention or confinement by Isleta Pueblo Tribal Court
Term of Agreement	July 11, 2018 through July 11, 2022
Amount of Project	The Pueblo will pay the County the sum of \$95.00 per day or any fraction thereof for each Pueblo Detainee confined at the Detention Center
County Contributions	Unknown
Audit Responsibility	Valencia County Isleta Pueblo

Medical Direction for EMS Services to the Village of Los Lunas

Participants	Valencia County Village of Los Lunas
Description	Valencia County agrees, through its Medical Director, to provide medical direction as necessary for the fire medical rescue services of the Village of Los Lunas Fire Department
Term of Agreement	Perpetual, unless terminated by either party
Amount of Project	Los Lunas agrees to pay Valencia County the sum of \$4,575.00 annually
County Contributions	Unknown
Audit Responsibility	Valencia County Village of Los Lunas

Housing and Care for Adult Prisoners between Valencia County and Town of Peralta

Participants	Valencia County Town of Peralta
Description	The County agrees to confine and house all individuals, who are over the age of 18, arrested by Municipal Law Enforcement Officers for violation of the Municipality's Laws or that are sentenced to detention or confinement by the Town of Peralta New Mexico Municipal Court
Term of Agreement	Perpetual, unless terminated by either party
Amount of Project	The Municipality will pay the County the sum of \$95.00 per day for each Municipal Detainee confined
County Contributions	Unknown
Audit Responsibility	Valencia County Town of Peralta

STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 19. Joint Powers Agreements (continued)

Housing and Care for Adult Prisoners between Valencia County and Rio Communities

Participants	Valencia County Rio Communities
Description	The County agrees to confine and house all individuals, who are over the age of 18, arrested by Municipal Law Enforcement Officers for violation of the Municipality's Laws or that are sentenced to detention or confinement by the City of Rio Communities Municipal Court
Term of Agreement	Perpetual, unless terminated by either party
Amount of Project	The Municipality will pay the County the sum of \$95.00 per day for each Municipal Detainee confined at the Detention Center
County Contributions	Unknown
Audit Responsibility	Valencia County Rio Communities

Valencia County Providing Housing and Care of Animals to Rio Communities

Participants	Valencia County Rio Communities
Description	Valencia County will provide housing and animal control services to Rio Communities
Term of Agreement	Perpetual, unless terminated by either party
Amount of Project	Various
County Contributions	Unknown
Audit Responsibility	Valencia County Rio Communities

Law Enforcement Protections Between Rio Communities and Valencia County

Participants	Valencia County Rio Communities
Description	Valencia County Sheriff's Department to provide law enforcement protection and services to the Rio Communities
Term of Agreement	July 1, 2019 through June 30, 2020
Amount of Project	Rio Communities will pay the County \$150,000.00 annually for the services
County Contributions	Unknown
Audit Responsibility	Valencia County Rio Communities

Providing Medical Direction and Other EMS Services between Valencia County and Rio Communities

Participants	Valencia County Rio Communities
Description	Valencia County agrees, through its Medical Director, to provide medical direction as necessary for the fire medical rescue services of the City of Rio Communities.
Term of Agreement	Perpetual, unless terminated by either party
Amount of Project	In exchange, Rio Communities agrees to pay Valencia County the sum of \$4,575 annually
County Contributions	Unknown
Audit Responsibility	Rio Communities Valencia County

**STATE OF NEW MEXICO
Valencia County
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 19. Joint Powers Agreements (continued)

Valencia County Regional Emergency Communication Center

Participants	Valencia County City of Belen Village of Los Lunas Village of Bosque Farms City of Rio Communities
Description	To establish the Valencia County Regional Emergency Communications Center and t for the construction and occupancy of the New Call Center
Term of Agreement	Can not be terminated until the full payment or defeasance of the Loan and the bonds securing the repayment of the loan between the New Mexico Finance Authority and the Village of Los Lunas for the construction of the Call Center.
Amount of Project	Unknown
County Contributions	Unknown
Audit Responsibility	Village of Los Lunas

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.9444	0.9505	0.3450	0.7300	0.025
County's proportionate share of the net pension liability (asset)	\$ 18,136,847	\$ 17,614,355	\$ 21,244,615	\$ 10,862,000	\$ 8,226,000
County's covered-employee payroll	\$ 9,442,474	\$ 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	192.08%	184.00%	224.93%	120.19%	100.83%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	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*

COUNTY IN SUMMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 973,692	\$ 1,055,580	\$ 1,086,000	\$ 1,425,000	\$ 8,200,000
Contributions in relation to the contractually required contribution	\$ 973,692	\$ 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 632,900	\$ 632,900	\$ 662,000	\$ 855,000	\$ 539,000
Contributions in relation to the contractually required contribution	\$ 632,900	\$ 632,900	\$ 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 340,792	\$ 340,792	\$ 424,000	\$ 570,000	\$ 281,000
Contributions in relation to the contractually required contribution	\$ 340,792	\$ 340,792	\$ 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

STATE OF NEW MEXICO Schedule III
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

	2019	2018
County's proportion of the net OPEB liability (asset)	0.2223	0.2298
Countys proportionate share of the net OPEB liability (asset)	\$ 10,099,054	\$ 10,440,490
County's covered-employee payroll	\$ 8,782,917	\$ 9,899,618
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	114.99%	105.46%

*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>2019</u>	<u>2018</u>
Contractually required contribution	\$ 175,658	\$ 197,992
Contributions in relation to the contractually required contribution	\$ 177,469	\$ 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

STATE OF NEW MEXICO
Valencia County
Notes to the Schedule of Required Supplementary Information (PERA)
For the Year Ended June 30, 2019

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

Assumptions: The Public Employees Retirement Association of New Mexico Annual Actuarial Valuations as of June 30 2018 report is available at www.nmpera.org.

There were no major changes to benefit terms which impact the measurements provided in the Retirement Healthcare Fund. The 2018 report can be found at www.nmrhc.org.

Changes in Assumption

The PERA salary scale, inflation and payroll assumptions were updated to reflect assumptions used in PERA June 30, 2018 pension valuation. The Actuarial Assumptions are contained in Sections 3 of the RHCA GASB Actuarial Report.

See Independent Auditors' Report

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
Valencia County
Nonmajor Fund Description
June 30, 2019**

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.

Intergovernmental Grants

To account for Legislative appropriations and special purpose grants from CDBG; Department of Justice Assistance Programs; Homeland Security and Bioterrorist Preparedness.

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.

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.

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 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, 2019

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.

Capital Projects Funds

2015 Revenue Bond

This fund accounts for the proceeds balances and expenditures of the 2015 revenue bond issued in December 2014 for capital project expenditures.

STATE OF NEW MEXICO
Valencia County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	<u>Special Revenue</u>		
	<u>State Award EMS</u>	<u>Fire Protection</u>	<u>Intergovernmental Grants</u>
Assets			
Cash and cash equivalents	\$ 4,547	\$ 505,180	\$ -
Gross receipt taxes receivable	-	-	-
Other receivables	-	-	183,172
Prepaid expense	-	25,573	-
Inventory	-	-	-
Total assets	<u>\$ 4,547</u>	<u>\$ 530,753</u>	<u>\$ 183,172</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ -	\$ 8,397	\$ 97,481
Accrued salaries and benefits	-	-	2,242
Due to other funds	-	-	42,670
Total liabilities	<u>\$ -</u>	<u>\$ 8,397</u>	<u>\$ 142,393</u>
Fund balance			
Nonspendable			
Inventory	-	-	-
Prepaid expenses	-	25,573	-
Spendable	-	-	-
Restricted for:			
General government	-	-	40,779
Public safety	4,547	496,783	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Unassigned	-	-	-
Total fund balances	<u>4,547</u>	<u>522,356</u>	<u>40,779</u>
Total liabilities and fund balances	<u>\$ 4,547</u>	<u>\$ 530,753</u>	<u>\$ 183,172</u>

See Independent Auditors' Report and Notes to Financial Statements

Special Revenue

Senior Citizens	County Fire Protection	Roads	Farm and Range	Recreation
\$ 6,865	\$ 206,225	\$ 244,422	\$ -	\$ 2,417
-	82,295	-	-	-
52,805	-	98,356	3,357	1,400
-	-	-	-	-
-	-	80,678	-	-
<u>\$ 59,670</u>	<u>\$ 288,520</u>	<u>\$ 423,456</u>	<u>\$ 3,357</u>	<u>\$ 3,817</u>
\$ 33,127	\$ 8,944	\$ 29,147	\$ -	\$ -
19,759	-	38,642	-	-
-	-	-	4,491	-
<u>\$ 52,886</u>	<u>\$ 8,944</u>	<u>\$ 67,789</u>	<u>\$ 4,491</u>	<u>\$ -</u>
-	-	80,678	-	-
-	-	-	-	-
-	-	-	-	-
-	279,576	-	-	-
-	-	274,989	-	-
-	-	-	-	3,817
6,784	-	-	-	-
-	-	-	(1,134)	-
<u>6,784</u>	<u>279,576</u>	<u>355,667</u>	<u>(1,134)</u>	<u>3,817</u>
<u>\$ 59,670</u>	<u>\$ 288,520</u>	<u>\$ 423,456</u>	<u>\$ 3,357</u>	<u>\$ 3,817</u>

STATE OF NEW MEXICO
Valencia County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue		
	Juvenile Detention	Regional Transit GRT	Valuation Maintenance
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 336,964
Gross receipt taxes receivable	-	228,808	-
Other receivables	16,945	-	-
Prepaid expense	-	-	7,050
Inventory	-	-	-
Total assets	\$ 16,945	\$ 228,808	\$ 344,014
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 17,172	\$ -	\$ 324
Accrued salaries and benefits	-	-	9,294
Due to other funds	12,293	-	-
Total liabilities	\$ 29,465	\$ -	\$ 9,618
Fund balance			
Nonspendable			
Inventory	-	-	
Prepaid expenses	-	-	7,050
Spendable			
Restricted for:			
General government	-	-	327,346
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	228,808	-
Health and welfare	-	-	-
Unassigned	(12,520)	-	-
Total fund balances	(12,520)	228,808	334,396
Total liabilities and fund balances	\$ 16,945	\$ 228,808	\$ 344,014

See Independent Auditors' Report and Notes to Financial Statements

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STATE OF NEW MEXICO
Valencia County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Statement A-1
Page 3 of 3

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Traffic Safety</u>	<u>2015 Revenue Bond</u>	
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 1,917,887
Gross receipt taxes receivable		-	356,187
Other receivables	-	17,000	392,314
Prepaid expense	-	-	32,623
Inventory	-	-	80,678
Total assets	<u>\$ -</u>	<u>\$ 17,000</u>	<u>\$ 2,779,689</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ -	-	\$ 208,659
Accrued salaries and benefits	-	-	76,324
Due to other funds	18,193	310,164	401,531
Total liabilities	<u>\$ 18,193</u>	<u>\$ 310,164</u>	<u>\$ 686,514</u>
Fund balance			
Nonspendable			
Inventory	-	-	80,678
Prepaid expenses	-	-	32,623
Spendable			
Restricted for:			
General government	-	-	633,119
Public safety	-	-	786,642
Public works	-	-	433,001
Culture and recreation	-	-	232,625
Health and welfare	-	-	219,498
Unassigned	(18,193)	(293,164)	(325,011)
Total fund balances	<u>(18,193)</u>	<u>(293,164)</u>	<u>2,093,175</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 17,000</u>	<u>\$ 2,779,689</u>

See Independent Auditors' Report and Notes to Financial Statements

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, 2019

	<u>Special Revenue</u>		
	<u>State Award EMS</u>	<u>Fire Protection</u>	<u>Intergovernmental Grants</u>
Revenues			
Gross receipt taxes	\$ -	\$ 779,326	\$ -
Gas taxes	-	-	-
State operating grants	39,345	-	-
State capital grants	-	-	55,516
Federal operating grants	-	9,770	-
Federal capital grants	-	-	560,675
Charges for services	-	-	-
Interest income	-	-	-
Miscellaneous income	-	1,495	-
Total revenue	<u>39,345</u>	<u>790,591</u>	<u>616,191</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	36,125	518,205	-
Public works	-	-	128,889
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	9,991	1,181,059
Total expenditures	<u>36,125</u>	<u>528,196</u>	<u>1,309,948</u>
Excess (deficiency) of revenues over expenditures	<u>3,220</u>	<u>262,395</u>	<u>(693,757)</u>
Other financing sources (uses)			
Transfers in	-	-	239,848
Transfers out	-	(123,916)	(1,226,577)
Total other financing sources (uses)	<u>-</u>	<u>(123,916)</u>	<u>(986,729)</u>
Net change in fund balance	3,220	138,479	(1,680,486)
Fund balance - beginning of year	<u>1,327</u>	<u>383,877</u>	<u>1,721,265</u>
Fund balance - end of year	<u>\$ 4,547</u>	<u>\$ 522,356</u>	<u>\$ 40,779</u>

See Independent Auditors' Report and Notes to Financial Statements

Special Revenue

Senior Citizens	County Fire Protection	Roads	Farm and Range	Recreation
\$ -	\$ 373,913	\$ -	\$ -	\$ -
-	-	530,282	-	-
-	-	-	-	-
355,400	-	-	-	19,818
118,449	373,819	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
149,661	27,376	24,237	3,357	-
<u>623,510</u>	<u>775,108</u>	<u>554,519</u>	<u>3,357</u>	<u>19,818</u>
-	-	-	-	-
-	714,215	-	-	-
-	-	2,430,458	-	-
-	-	-	-	27,064
987,369	-	-	4,363	-
-	22,728	51,336	-	-
<u>987,369</u>	<u>736,943</u>	<u>2,481,794</u>	<u>4,363</u>	<u>27,064</u>
<u>(363,859)</u>	<u>38,165</u>	<u>(1,927,275)</u>	<u>(1,006)</u>	<u>(7,246)</u>
293,049	37,181	1,608,300	-	-
-	(46,660)	-	-	-
<u>293,049</u>	<u>(9,479)</u>	<u>1,608,300</u>	<u>-</u>	<u>-</u>
(70,810)	28,686	(318,975)	(1,006)	(7,246)
<u>77,594</u>	<u>250,890</u>	<u>674,642</u>	<u>(128)</u>	<u>11,063</u>
<u>\$ 6,784</u>	<u>\$ 279,576</u>	<u>\$ 355,667</u>	<u>\$ (1,134)</u>	<u>\$ 3,817</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, 2019

	Special Revenue		
	Juvenile Detention	Regional Transit GRT	Valuation Maintenance
Revenues			
Gross receipt taxes	\$ -	\$ 1,270,506	\$ 418,838
Gas taxes	-	-	-
State operating grants	138,974	-	-
State capital grants	-	-	-
Federal operating grants	-	-	-
Federal capital grants	-	-	-
Charges for services	-	-	-
Interest income	-	-	-
Miscellaneous income	-	-	-
Total revenue	<u>138,974</u>	<u>1,270,506</u>	<u>418,838</u>
Expenditures			
Current:			
General government	-	-	303,595
Public safety	414,119	-	-
Public works	-	-	-
Culture and recreation	-	1,239,846	-
Health and welfare	-	-	-
Capital outlay	-	-	30,915
Total expenditures	<u>414,119</u>	<u>1,239,846</u>	<u>334,510</u>
Excess (deficiency) of revenues over expenditures	<u>(275,145)</u>	<u>30,660</u>	<u>84,328</u>
Other financing sources (uses)			
Transfers in	242,484	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>242,484</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(32,661)	30,660	84,328
Fund balance - beginning of year	<u>20,141</u>	<u>198,148</u>	<u>250,068</u>
Fund balance - end of year	<u>\$ (12,520)</u>	<u>\$ 228,808</u>	<u>\$ 334,396</u>

See Independent Auditors' Report and Notes to Financial Statements

Special Revenue

Law Enforcement	County Indigent Claims	Solid Waste GRT	Clerks Equipment	Roads GRT
\$ 58,800	\$ 2,029,997	\$ 204,649	\$ 85,314	\$ 200,059
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,534	-	-
-	-	-	-	-
620	1,624	24,622	-	-
<u>59,420</u>	<u>2,031,621</u>	<u>230,805</u>	<u>85,314</u>	<u>200,059</u>
-	-	244,629	32,061	-
55,646	-	-	-	-
-	-	-	-	236,463
-	-	-	-	-
-	1,014,593	-	-	-
-	-	-	-	-
<u>55,646</u>	<u>1,014,593</u>	<u>244,629</u>	<u>32,061</u>	<u>236,463</u>
<u>3,774</u>	<u>1,017,028</u>	<u>(13,824)</u>	<u>53,253</u>	<u>(36,404)</u>
-	-	-	-	-
-	(877,506)	-	-	-
-	(877,506)	-	-	-
<u>3,774</u>	<u>139,522</u>	<u>(13,824)</u>	<u>53,253</u>	<u>(36,404)</u>
<u>1,962</u>	<u>73,192</u>	<u>47,143</u>	<u>178,422</u>	<u>194,416</u>
<u>\$ 5,736</u>	<u>\$ 212,714</u>	<u>\$ 33,319</u>	<u>\$ 231,675</u>	<u>\$ 158,012</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, 2019

Statement A-2
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	<u>Special Revenue</u>	<u>Capital Projects</u>	Total Nonmajor Governmental Funds
	<u>Traffic Safety</u>	<u>2015 Revenue Bond</u>	
Revenues			
Gross receipt taxes	\$ -	\$ -	\$ 5,421,402
Gas taxes	-	-	530,282
State operating grants	21,147	-	199,466
State capital grants	-	40,468	471,202
Federal operating grants	-	-	502,038
Federal capital grants	-	-	560,675
Charges for services	-	-	1,534
Interest income	-	57	57
Miscellaneous income	-	-	232,992
Total revenue	<u>21,147</u>	<u>40,525</u>	<u>7,919,648</u>
Expenditures			
Current:			
General government	-	-	580,285
Public safety	24,856	-	1,763,166
Public works	-	-	2,795,810
Culture and recreation	-	-	1,266,910
Health and welfare	-	-	2,006,325
Capital outlay	-	928,133	2,224,162
Total expenditures	<u>24,856</u>	<u>928,133</u>	<u>10,636,658</u>
Excess (deficiency) of revenues over expenditures	<u>(3,709)</u>	<u>(887,608)</u>	<u>(2,717,010)</u>
Other financing sources (uses)			
Transfers in	-	384,284	2,805,146
Transfers out	-	-	(2,274,659)
Total other financing sources (uses)	<u>-</u>	<u>384,284</u>	<u>530,487</u>
Net change in fund balance	(3,709)	(503,324)	(2,186,523)
Fund balance - beginning of year	<u>(14,484)</u>	<u>210,160</u>	<u>4,279,698</u>
Fund balance - end of year	<u>\$ (18,193)</u>	<u>\$ (293,164)</u>	<u>\$ 2,093,175</u>

See Independent Auditors' Report and Notes to Financial Statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Valencia County
Schedule of Deposits and Investments
June 30, 2019

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	\$ 17,658,383	\$ 52,559	\$ 1,284,384	\$ 16,426,558
Valencia County Hospital	Savings	26,123,741	-	-	26,123,741
Total		<u>\$ 43,782,124</u>	<u>\$ 52,559</u>	<u>\$ 1,284,384</u>	<u>\$ 42,550,299</u>
United Business Bank					
Imates	Checking	\$ 84,611	\$ 433	\$ 3,703	\$ 81,341
Commissary	Savings	179,034	-	127	178,907
Total		<u>\$ 263,645</u>	<u>\$ 433</u>	<u>\$ 3,830</u>	<u>\$ 260,248</u>
New Mexico Bank & Trust					
Pooled Savings Reserve	Savings	\$ 2,321,893	\$ -	\$ -	\$ 2,321,893
Total		<u>\$ 2,321,893</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,321,893</u>
Bank of Albuquerque					
Protested Taxes Account	Checking	\$ 134,654	\$ -	\$ -	\$ 134,654
Bond Reserves Account	Checking	2,587	-	-	2,587
Total		<u>\$ 137,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,241</u>
US Bank					
Bond Issue Account	Checking	\$ 77,072	\$ -	\$ -	\$ 77,072
LGIP					
Investments in LGIP	Investments	\$ 31,872	\$ -	\$ -	\$ 31,872
Total New Mexico Finance Authority					
New Mexico Finance Authority:					
Valencia Cash & Reserves	Debt Service	\$ 2,556,109	\$ -	\$ -	\$ 2,556,109
Total		<u>\$ 49,169,956</u>	<u>\$ 52,992</u>	<u>\$ 1,288,214</u>	<u>\$ 47,934,734</u>
Petty cash					
Total Deposits					<u>\$ 47,934,734</u>
Total cash and cash equivalents per Statement of Net Position					\$ 18,032,352
Total restricted cash and cash equivalents per Statement of Net Position					1,865,287
Total Cash and cash equivalents per Statement of Fiduciary Assets and Liabilities					<u>28,037,095</u>
Total cash, cash equivalents and investments					<u>\$ 47,934,734</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
Valencia County
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2019

Schedule VI

CUSIP / Description	Description of Pledged Collateral	Name of Depository	Maturity Date	Fair Market Value
3137AJYW8	FH 3977C AC SEQ FIX	Bank of the West	47379	\$ 261,805
3136AEFO	FN 1339C MP PAC FIX	Bank of the West	46898	486,130
3137B56H1	FH 4257A A SEQ FIX	Bank of the West	46675	909,904
36179RBW8	G2SF MA2753 3.000 04/20/45	Bank of the West	53072	693,949
31292LWF8	FHLMC GOLD 30 YR	Bank of the West	52110	704,685
3128MJW48	FGLMC G08666 3.000 09/01/45	Bank of the West	53206	826,486
36179Q6N6	G2SF MA2677 3.000 03/20/45	Bank of the West	53041	586,224
36179NM96	GNMA2 SINGLE FAMILY 30 YR	Bank of the West	52494	539,244
31300MHQ9	FHLMC SF ARM;VARIOUS	Bank of the West	52597	101,350
3132HLM34	FHLMC GOLD 30 YR	Bank of the West	52079	454,509
361 79RXC8	G2SF MA3375 3.000 01/20/46	Bank of the West	53347	587,959
36179NM96	GNMA2 SINGLE FAMILY 30 YR	Bank of the West	52494	354,922
3138WHM82	18WHM82 FNCL AS7582 3.000 07/01	Bank of the West	53509	706,001
36179NTU2	GNMA2 ARM MULTIPLE	Bank of the West	52555	45,309
36179RBW8	G2SF MA2753 3.000 04/20/45	Bank of the West	53072	815,188
36179M6H8	GNMA2 ARM MULTIPLE	Bank of the West	52310	30,428
36179NM96	GNMA2 SINGLE FAMILY 30 YR	Bank of the West	52494	1,043,888
36179SYSO	G2SF MA4321 3.500 03/20/47	Bank of the West	53771	183,428
36179MSV3	GNMA2SINGLEFAMILY 30YR	Bank of the West	52190	137,395
36179RBW8	G2SF MA2753 3.000 04/20/45	Bank of the West	53072	174,937
36179M2P4	G2SF MA0782 3.000 02/20/43	Bank of the West	52282	144,952
36179SB71	G2SF MA3662 3.000 05/20/46	Bank of the West	53467	398,349
361 79R7H6	G2SF MA3596 3.000 04/20/46	Bank of the West	53437	304,322
36179NM96	GNMA2 SINGLE FAMILY 30 YR	Bank of the West	52494	218,974
36179R7H6	G2SF MA3596 3.000 04/20/46	Bank of the West	53437	581,848
3138M93RO	FNMA CONV 30 YR SF	Bank of the West	52110	1,747,854
36179NEE4	GNMA2 ARM MULTIPUL	Bank of the West	52371	302,927
36179RBW8	G2SF MA2753 3.000 04/20/45	Bank of the West	53072	2,146,010
36179MNG1	GNMA2 SINGLE FAMILY 30 YR	Bank of the West	52129	625,345
36179Q3H2	G2SF MA2600 3.000 02120145	Bank of the West	53013	1,452,085
36179MYH7	GNMA2ARMMULTIPLE	Bank of the West	52251	446,078
36179ME22	GNMA2 SINGLE FAMILY 30 YR	Bank of the West	52037	984,537
36179MYH7	GNMA2ARMMULTIPLE	Bank of the West	52251	290,064
3138M8J61	FNMA CONV 30 YR SF	Bank of the West	52110	30,132
36176XUA5	GNMA1 SINGLE FAILY 30 YR	Bank of the West	52032	651,385
3132HM3Y5	FHLMC GOLD 30 YR	Bank of the West	52140	870,051
36225FLV9	GNMA2 ARM MULTIPLE	Bank of the West	51917	292,953
36179QL41	G2SF MA2147 3.000 08120144	Bank of the West	52829	5,017,210
Total For Bank of the West				\$ 26,148,817
2018-723	Letter of Credit	United Business Bank	None	\$ 300,000
31394EBR8	FEMA REMIC TRUST	New Mexico Bank & Trust	49485	\$ 75,000
312904MG7	FHLMC SERIES 1004	New Mexico Bank & Trust	44119	\$ 3,210,160

STATE OF NEW MEXICO

Schedule VII

Valencia County

**Tax Roll Reconciliation – Changes In Property Taxes Recievable
Year Ended June 30, 2019**

Property taxes receivable, beginning of year	\$10,282,294
Changes to tax roll:	
Net tax charges to treasurer for tax year 2018	47,278,692
Decrease in net tax charges 2008-2017	(31,832)
Adjustments:	
Allowance for uncollectible taxes receivable	-
Less roll-off of 2008 taxes on ten year schedule	(364,832)
Charge off of taxes receivable current year	<u>(25,790)</u>
 Total receivable prior to collections	 57,138,532
 Collections for fiscal year ended June 30, 2018	 <u>(46,298,908)</u>
 Property taxes receivable at June 30, 2018	 <u><u>10,839,624</u></u>
 Property taxes are reported as follows	
 Governmental funds:	
County portion	\$3,615,344
Agency portion	<u>7,224,280</u>
 Total property taxes receivable	 <u><u>\$10,839,624</u></u>
 Property taxes receivable by years:	
FY 2008-2017	\$7,348,171
FY 2018	<u>\$3,491,453</u>
 Total property taxes receivable	 <u><u>\$10,839,624</u></u>

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	<u>Property Taxes Levied</u>	<u>Collected In Current Year</u>	<u>Collected To-Date</u>	<u>Distributed In Current Year</u>	<u>Distributed To-Date</u>	<u>Current Amount Uncollect.</u>	<u>To-Date Amount Uncollect.</u>	<u>Undistr. At Year End</u>	<u>County Receivable At Year-End</u>
VALENCIA COUNTY:									
Debt									
2009-2017	\$ 8,797,036	65,127	8,609,968	87,446	8,603,801	-	431	6,167	186,638
2018	<u>1,057,702</u>	<u>977,040</u>	<u>977,040</u>	<u>960,113</u>	<u>959,894</u>	-	-	17,146	<u>80,662</u>
Total Debt	9,854,738	1,042,167	9,587,008	1,047,559	9,563,695	-	431	23,313	267,300
Operational Non-Res.									
2009-2017	41,170,877	228,450	39,485,015	404,587	39,461,627	-	8,479	23,388	1,677,384
2018	<u>5,454,278</u>	<u>4,965,320</u>	<u>4,965,320</u>	<u>4,873,617</u>	<u>4,872,839</u>	-	-	92,481	<u>488,958</u>
Total Operational NR	46,625,155	5,193,770	44,450,335	5,278,204	44,334,466	-	8,479	115,869	2,166,342
Operational Res.									
2009-2017	54,110,138	429,528	53,427,750	509,519	53,385,257	-	104	42,493	682,284
2018	<u>7,105,284</u>	<u>6,605,864</u>	<u>6,605,864</u>	<u>6,494,717</u>	<u>6,493,043</u>	-	-	112,821	<u>499,420</u>
Total Operational Res.	61,215,422	7,035,392	60,033,614	7,004,236	59,878,300	-	104	155,314	1,181,704
Total Valencia County	<u>117,695,315</u>	<u>13,271,329</u>	<u>114,070,957</u>	<u>13,329,999</u>	<u>113,776,461</u>	-	<u>9,014</u>	<u>294,496</u>	<u>3,615,346</u>
STATE OF NEW MEXICO:									
State 951									
2009-2017	76,076	322	74,934	702	74,922	-	-	13	1,141
2018	<u>9,426</u>	<u>7,296</u>	<u>7,296</u>	<u>7,054</u>	<u>7,054</u>	-	-	242	<u>2,130</u>
Total State 951	85,502	7,618	82,230	7,756	81,976	-	-	255	3,271
State 952									
2009-2017	763	20	759	43	758	-	-	1	4
2018	<u>123</u>	<u>108</u>	<u>108</u>	<u>92</u>	<u>92</u>	-	-	16	<u>15</u>
Total State 952	886	128	867	135	850	-	-	17	19
State 953									
2009-2017	332	10	314	21	313	-	-	1	18
2018	<u>114</u>	<u>89</u>	<u>89</u>	<u>70</u>	<u>70</u>	-	-	19	<u>25</u>
Total State 953	446	99	403	91	383	-	-	20	43

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Valencia County
Treasurers Property Tax Schedule
June 30, 2019

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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
State 954									
2009-2017	16,397	287	16,035	585	16,014	-	-	22	362
2018	3,244	2,645	2,645	2,392	2,392	-	-	253	598
Total State 954	19,641	2,932	18,680	2,977	18,406	-	-	275	960
State 955									
2017	13	1	13	2	13	-	-	-	-
2018	14	12	12	11	11	-	-	1	2
	27	13	25	13	24	-	-	1	2
State 956									
2009-2017	142,120	1	142,120	30	142,120	-	-	-	-
2018	18,446	18,446	18,446	9,693	9,693	-	-	8,752	1
Total State 956	160,566	18,447	160,566	9,723	151,813	-	-	8,752	1
State 957									
2009-2017	461	-	461	16	461	-	-	-	-
2018	11	11	11	11	11	-	-	-	-
Total State 957	472	11	472	27	472	-	-	-	-
Alpaca 958									
2017	13	-	13	3	13	-	-	-	-
2018	11	9	9	4	4	-	-	5	3
Llama 960									
2017	7	-	7	2	7	-	-	-	-
2018	8	8	8	6	6	-	-	2	-
STATEDEBT									
2009-2017	15,768,559	112,680	15,437,050	148,973	15,425,804	-	1,016	11,245	330,493
2018	2,028,878	1,874,153	1,874,153	1,841,683	1,841,263	-	-	32,890	154,725
Total STATEDEBT	17,797,437	1,986,833	17,311,203	1,990,656	17,267,067	-	1,016	44,135	485,218
Total State of New Mexico	18,065,016	2,016,098	17,574,450	2,011,386	17,520,988	-	1,016	53,462	489,517

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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									
2009-2017	601	21	590	21	590	-	-	-	12
2018	249	239	239	240	239	-	-	-	9
Total CPSWCE	850	260	829	261	829	-	-	-	21
MIDDLE RIO GRANDE CONSERVANCY									
MRGC OPR Non-Res.									
2009-2017	8,688,449	68,476	8,579,925	81,708	8,573,683	-	78	6,242	108,445
2018	814,959	727,123	727,123	710,697	710,593	-	-	16,530	87,835
Total Operational NR	9,503,408	795,599	9,307,048	792,405	9,284,276	-	78	22,772	196,280
MRGC OPR Res.									
2009-2017	17,369,206	166,992	17,157,463	206,315	17,139,606	-	41	17,856	211,702
2018	2,930,086	2,707,176	2,707,176	2,647,271	2,646,344	-	-	60,832	222,910
Total OPR Res.	20,299,292	2,874,168	19,864,639	2,853,586	19,785,950	-	41	78,688	434,612
Total MRGC	29,802,700	3,669,767	29,171,687	3,645,991	29,070,226	-	119	101,460	630,892
SOIL & WATER CONSERVATION									
2009-2017	1,406,315	18,943	1,364,306	24,953	1,362,373	-	59	1,933	41,950
2018	352,186	322,954	322,954	317,267	317,194	-	-	5,760	29,233
Total Soil & water	1,758,501	341,897	1,687,260	342,220	1,679,567	-	59	7,693	71,183
VILLAGE OF BOSQUE FARMS									
NR MUNOP									
2009-2017	157,995	1,575	155,446	1,823	155,063	-	-	383	2,549
2018	37,778	35,041	35,040	34,251	34,251	-	-	789	2,737
Total NR MUNOP	195,773	36,616	190,486	36,074	189,314	-	-	1,172	5,286
NR NUNOPER									
2009-2017	67,014	-	66,724	-	66,724	-	-	-	290
2018	-	-	-	-	-	-	-	-	-
Total NR NUNOPER	67,014	-	66,724	-	66,724	-	-	-	290

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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									
2009-2017	1,002,085	7,482	995,854	9,181	995,364	-	-	489	6,232
2018	219,311	210,013	210,013	207,173	207,071	-	-	2,943	9,298
Total R MUNOP	<u>1,221,396</u>	<u>217,495</u>	<u>1,205,867</u>	<u>216,354</u>	<u>1,202,435</u>	-	-	3,432	15,530
R MUNOPER									
2009-2017	402,735	9	402,623	-	402,614	-	-	9	111
2018	-	-	-	-	-	-	-	-	-
Total R MUNOPER	<u>402,735</u>	<u>9</u>	<u>402,623</u>	<u>-</u>	<u>402,614</u>	-	-	9	111
Total Bosque Farms	<u>1,886,918</u>	<u>254,120</u>	<u>1,865,700</u>	<u>252,428</u>	<u>1,861,087</u>	-	-	<u>4,613</u>	<u>21,217</u>
CITY OF BELEN									
NR MUNDEBT									
2009-2017	411,402	5,849	403,091	8,198	402,864	-	-	227	8,311
2018	199,851	190,255	190,255	188,627	188,627	-	-	1,627	9,597
Total NR MUNDEBT	<u>611,253</u>	<u>196,104</u>	<u>593,346</u>	<u>196,825</u>	<u>591,491</u>	-	-	1,854	17,908
NR MUNOPER									
2009-2017	2,793,793	17,239	2,765,798	21,797	2,765,385	-	1,067	413	26,927
2018	400,686	381,445	381,445	378,181	378,181	-	-	3,264	19,241
Total NR MUNOPER	<u>3,194,479</u>	<u>398,684</u>	<u>3,147,243</u>	<u>399,978</u>	<u>3,143,566</u>	-	1,067	3,677	46,168
R MUNDEBT									
2009-2017	476,000	15,269	459,527	20,065	458,433	-	-	1,094	16,473
2018	226,828	204,635	204,635	199,084	198,951	-	-	5,684	22,193
Total R MUNDEBT	<u>702,828</u>	<u>219,904</u>	<u>664,162</u>	<u>219,149</u>	<u>657,384</u>	-	-	6,778	38,666
R MUNOPER									
2009-2017	3,327,875	30,670	3,276,167	39,374	3,274,074	-	3	2,093	51,706
2018	414,747	374,169	374,169	364,019	363,776	-	-	10,393	40,578
Total R MUNOPER	<u>3,742,622</u>	<u>404,839</u>	<u>3,650,336</u>	<u>403,393</u>	<u>3,637,850</u>	-	3	12,486	92,284
Total City of Belen	<u>8,251,182</u>	<u>1,219,531</u>	<u>8,055,087</u>	<u>1,219,345</u>	<u>8,030,291</u>	-	<u>1,070</u>	<u>24,795</u>	<u>195,026</u>

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	<u>Property Taxes Levied</u>	<u>Collected In Current Year</u>	<u>Collected To-Date</u>	<u>Distributed In Current Year</u>	<u>Distributed To-Date</u>	<u>Current Amount Uncollect.</u>	<u>To-Date Amount Uncollect.</u>	<u>Undistr. At Year End</u>	<u>County Receivable At Year-End</u>
BELEN CONS. SCHOOLS									
NR SCHCAPIMP									
2009-2017	3,726,184	19,083	3,550,841	39,638	3,549,151	-	421	1,690	174,922
2018	483,504	440,085	440,085	430,886	430,783	-	-	9,302	43,419
Total NR SCHCAPIMP	4,209,688	459,168	3,990,926	470,524	3,979,934	-	421	10,992	218,341
NR SCHDEBT									
2009-2017	14,328,703	73,152	13,654,831	151,793	13,648,352	-	1,627	6,479	672,246
2018	1,848,192	1,682,223	1,682,223	1,647,063	1,646,666	-	-	35,557	165,969
Total NR SCHDEBT	16,176,895	1,755,375	15,337,054	1,798,856	15,295,018	-	1,627	42,036	838,215
NR SCHDISTOP									
2009-2017	927,547	4,764	883,781	9,903	883,359	-	104	422	43,572
2018	120,876	110,021	110,021	107,722	107,696	-	-	2,326	10,855
Total NR SCHDISTOP	1,048,423	114,785	993,802	117,625	991,055	-	104	2,748	54,427
R SCHCAPIMP									
2009-2017	5,522,278	51,124	5,450,064	61,060	5,445,331	-	14	4,733	72,200
2018	690,240	631,661	631,661	618,126	617,832	-	-	13,829	58,579
Total R SCHCAPIMP	6,212,518	682,785	6,081,725	679,186	6,063,163	-	14	18,562	130,779
R SCHDEBT									
2009-2017	21,269,160	196,455	20,991,455	234,413	20,973,201	-	53	18,255	277,652
2018	2,638,441	2,414,524	2,414,524	2,362,786	2,361,663	-	-	52,862	223,917
Total R SCHDEBT	23,907,601	2,610,979	23,405,979	2,597,199	23,334,864	-	53	71,117	501,569
R SCHDISTOP									
2009-2017	639,089	6,393	630,271	7,637	629,675	-	1	596	8,816
2018	88,351	80,853	80,853	79,120	79,082	-	-	1,770	7,498
Total R SCHDISTOP	727,440	87,246	711,124	86,757	708,757	-	1	2,366	16,314

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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
Total Belen Schools	52,282,565	5,710,338	50,520,610	5,750,147	50,372,791	-	2,220	147,821	1,759,645
SCHOOL OF DREAMS									
NR House Bill 33									
2009-2017	15,384	26	14,894	25	14,889	-	3	5	487
2018	-	-	-	-	-	-	-	-	-
Total NR House Bill 33	15,384	26	14,894	25	14,889	-	3	5	487
RR House Bill 33									
2009-2017	51,480	41	51,198	37	51,189	-	-	9	282
2018	-	-	-	-	-	-	-	-	-
Total RR House Bill 33	51,480	41	51,198	37	51,189	-	-	9	282
Total School of Dreams	66,864	67	66,092	62	66,078	-	3	14	769
LOS LUNAS CONSOLIDATED SCHOOLS									
NR HOUSE BILL 33									
2009-2017	4,821,745	29,182	4,658,443	42,948	4,655,064	-	1,524	3,379	161,778
2018	655,574	596,916	596,916	587,498	587,456	-	-	9,460	58,658
Total House Bill 33	5,477,319	626,098	5,255,359	630,446	5,242,520	-	1,524	12,839	220,436
NR SCHCAPIMP									
2009-2017	3,224,693	19,472	3,115,500	28,648	3,113,244	-	1,018	2,256	108,174
2018	437,050	397,944	397,944	391,665	391,638	-	-	6,307	39,106
Total NR SCHCAPIMP	3,661,743	417,416	3,513,444	420,313	3,504,882	-	1,018	8,563	147,280
NR SCHDEBT									
2009-2017	13,194,104	79,485	12,747,523	116,900	12,738,310	-	4,169	9,213	442,411
2018	1,781,196	1,621,821	1,621,821	1,596,231	1,596,120	-	-	25,702	159,374
Total NR SCHDEBT	14,975,300	1,701,306	14,369,344	1,713,131	14,334,430	-	4,169	34,915	601,785
NR SCHDISTOP									
2009-2017	783,750	4,842	757,024	7,131	756,461	-	241	563	26,485
2018	109,262	99,486	99,486	97,916	97,909	-	-	1,577	9,776
Total NR SCHDISTOP	893,012	104,328	856,510	105,047	854,370	-	241	2,140	36,261

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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 HBILL33									
2009-2017	15,756,872	109,111	15,567,982	128,749	15,556,694	-	25	11,287	188,865
2018	2,059,277	1,929,627	1,929,627	1,901,520	1,901,233	-	-	28,395	129,650
Total HBill 33	17,816,149	2,038,738	17,497,609	2,030,269	17,457,927	-	25	39,682	318,515
R SCHCAPIMP									
2009-2017	10,538,027	72,777	10,411,908	85,869	10,404,376	-	17	7,532	126,103
2018	1,372,851	1,286,418	1,286,418	1,267,680	1,267,488	-	-	18,930	86,433
Total SCHCAPIMP	11,910,878	1,359,195	11,698,326	1,353,549	11,671,864	-	17	26,462	212,536
R SCHDEBT									
2009-2017	43,840,469	309,160	43,309,423	364,948	43,277,492	-	71	31,931	530,975
2018	5,595,055	5,242,797	5,242,797	5,166,649	5,165,649	-	-	77,148	352,258
Total R SCHDEBT	49,435,524	5,551,957	48,552,220	5,531,597	48,443,141	-	71	109,079	883,233
R SCHDISTOP									
2009-2017	995,721	6,896	983,780	8,137	983,067	-	1	714	11,939
2018	126,302	118,350	118,350	116,627	116,609	-	-	1,742	7,952
Total R SCHDISTOP	1,122,023	125,246	1,102,130	124,764	1,099,676	-	1	2,456	19,891
LL03 BN SCHDBT									
2009-2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
Total BN SCHDBT	-	-	-	-	-	-	-	-	-
LL03 LL SCHDBT									
2009-2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
Total LL03 SCHDBT	-	-	-	-	-	-	-	-	-
Total Los Lunas Schools	105,291,948	11,924,284	102,844,942	11,909,116	102,608,810	-	7,066	236,136	2,439,937

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Valencia County
Treasurers Property Tax Schedule
June 30, 2019

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	<u>Property Taxes Levied</u>	<u>Collected In Current Year</u>	<u>Collected To-Date</u>	<u>Distributed In Current Year</u>	<u>Distributed To-Date</u>	<u>Current Amount Uncollect.</u>	<u>To-Date Amount Uncollect.</u>	<u>Undistr. At Year End</u>	<u>County Receivable At Year-End</u>
VILLAGE OF LOS LUNAS									
NR MUNDBT									
2009-2017	232,228	3,091	227,892	7,507	227,646	-	-	246	4,336
2018	135,328	127,858	127,857	125,573	125,573	-	-	2,285	7,470
Total NR MUNDBT	367,556	130,949	355,749	133,080	353,219	-	-	2,531	11,806
R MUNDBT									
2009-2017	663,880	6,803	655,396	8,963	654,526	-	-	869	8,484
2018	358,075	347,428	347,428	344,196	344,176	-	-	3,252	10,647
Total R MUNDBT	1,021,955	354,231	1,002,824	353,159	998,702	-	-	4,121	19,131
NR MUNOP									
2009-2017	6,188,699	24,950	6,147,103	54,444	6,144,993	-	687	2,110	40,909
2018	824,905	779,372	779,372	765,444	765,444	-	-	13,928	45,534
Total NR MUNOP	7,013,604	804,322	6,926,475	819,888	6,910,437	-	687	16,038	86,443
R MUNOPR									
2009-2017	15,872,345	49,500	15,799,672	65,295	15,793,083	-	-	6,589	72,672
2018	2,085,110	2,023,112	2,023,112	2,004,292	2,004,174	-	-	18,938	61,998
Total NR MUNDBT	17,957,455	2,072,612	17,822,784	2,069,587	17,797,257	-	-	25,527	134,670
Total Village of Los Lunas	26,360,570	3,362,114	26,107,832	3,375,714	26,059,615	-	687	48,217	252,050
TOWN OF PERALTA									
NR MUNOPER									
2009-2017	85,183	1,493	83,126	1,828	83,053	-	-	73	2,057
2018	17,814	15,419	15,419	14,583	14,583	-	-	836	2,395
Total NR MUNOPER	102,997	16,912	98,545	16,411	97,636	-	-	909	4,452
R MUNOPER									
2009-2017	623,777	7,933	615,377	10,431	614,404	-	-	974	8,400
2018	168,252	158,357	158,357	154,666	154,666	-	-	3,691	9,895
Total R MUNOPER	792,029	166,290	773,734	165,097	769,070	-	-	4,665	18,295
Total Town of Peralta	895,026	183,202	872,279	181,508	866,706	-	-	5,574	22,747

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Valencia County
Treasurers Property Tax Schedule
June 30, 2019**

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	<u>Property Taxes Levied</u>	<u>Collected In Current Year</u>	<u>Collected To-Date</u>	<u>Distributed In Current Year</u>	<u>Distributed To-Date</u>	<u>Current Amount Uncollect.</u>	<u>To-Date Amount Uncollect.</u>	<u>Undistr. At Year End</u>	<u>County Receivable At Year-End</u>
RIO COMMUNITIES									
RC MUNOPER									
2009-2017	609,026	7,458	601,218	9,715	600,329	-	-	889	7,808
2018	212,553	202,623	202,623	200,087	200,577	-	-	2,536	9,930
Total RC MUNOPER	821,579	210,081	803,841	209,802	800,906	-	-	3,425	17,738
RCMUNOP NR									
2009-2017	85,351	737	83,342	1,017	83,138	-	-	204	2,009
2018	31,223	29,399	29,399	29,070	29,070	-	-	328	1,824
Total RCMUNOP NR	116,574	30,136	112,741	30,087	112,208	-	-	532	3,833
Total Rio Communities	938,153	240,217	916,582	239,889	913,114	-	-	3,957	21,571
UNM VALENCIA									
BLDGLEVY2									
2009-2017	11,021,762	71,693	10,798,922	94,356	10,792,280	-	1,072	7,155	221,767
2018	1,268,061	1,171,346	1,171,346	1,151,052	1,150,312	-	-	20,556	96,703
Total	12,289,823	1,243,039	11,970,268	1,245,408	11,942,592	-	1,072	27,711	318,470
BRANCH 1R									
2009-2017	15,452,254	119,179	15,261,470	141,410	15,249,202	-	29	11,776	190,859
2018	1,976,441	1,837,531	1,837,520	1,806,602	1,806,137	-	-	31,383	138,921
Total Total Branch 1R	17,428,695	1,956,710	17,098,990	1,948,012	17,055,339	-	29	43,159	329,780
BRANCH NR									
2009-2017	6,957,024	38,572	6,672,229	68,300	6,668,260	-	1,445	3,951	283,574
2018	920,553	838,029	838,042	822,365	822,420	-	-	15,606	82,524
Total	7,877,577	876,601	7,510,271	890,665	7,490,680	-	1,445	19,557	366,098
Total UNM Valencia	37,596,095	4,076,350	36,579,529	4,084,085	36,488,611	-	2,546	90,427	1,014,348

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Valencia County
Treasurers Property Tax Schedule
June 30, 2019

	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 HOSPITAL									
2009-2017	7,437,207	13,210	7,377,665	13,770	7,376,261	-	23	1,402	59,520
2018	-	-	-	-	-	-	-	-	-
Total Hospital	7,437,207	13,210	7,377,665	13,770	7,376,261	-	23	1,402	59,520
Hospital NR									
2009-2017	6,121,613	11,528	5,899,718	11,776	5,898,567	-	1,967	1,150	219,927
2018	-	-	-	-	-	-	-	-	-
Total Hospital NR	6,121,613	11,528	5,899,718	11,776	5,898,567	-	1,967	1,150	219,927
Hospital R									
2009-2017	6,809,711	4,596	6,784,256	4,353	6,783,590	-	-	666	25,254
2018	-	-	-	-	-	-	-	-	-
Total Hospital R	6,809,711	4,596	6,784,256	4,353	6,783,590	-	-	666	25,254
Total Valencia Cnty Hospital	20,368,531	29,334	20,061,639	29,899	20,058,418	-	1,990	3,218	304,701
Totals									
2009-2017	373,981,542	2,511,669	366,608,236	3,346,369	366,357,048	-	25,790	251,188	7,348,171
2018	47,278,692	43,787,239	43,787,239	43,025,681	43,016,544	-	-	770,695	3,491,453
GRAND TOTAL \$	421,260,234	46,298,908	410,395,475	46,372,050	409,373,592	-	25,790	1,021,883	10,839,624

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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
EMS GRT - 372				
Assets				
Cash and investments	\$ (13,544)	\$ 1,971,900	\$ 1,971,900	\$ (13,544)
Receivables - property taxes	-	1,971,900	1,971,900	-
Receivables - other	-	-	-	-
Total Assets	\$ (13,544)	\$ 3,943,800	\$ 3,943,800	\$ (13,544)
Liabilities				
Deposits held in trust for others	\$ (13,544)	\$ 1,971,900	\$ 1,971,900	\$ (13,544)
Other liabilities	-	-	-	-
Future tax collections	-	1,971,900	1,971,900	-
Total Liabilities	\$ (13,544)	\$ 3,943,800	\$ 3,943,800	\$ (13,544)
Sick Leave Fund - 425				
Assets				
Cash and investments	\$ 14,001	\$ -	\$ -	\$ 14,001
Receivables - property taxes	-	-	-	-
Total Assets	\$ 14,001	\$ -	\$ -	\$ 14,001
Liabilities				
Deposits held in trust for others	\$ 14,001	\$ -	\$ -	\$ 14,001
Future tax collections	-	-	-	-
Total Liabilities	\$ 14,001	\$ -	\$ -	\$ 14,001
Children's Trust - 425				
Assets				
Cash and investments	\$ 1,125	\$ 6,240	\$ 5,970	\$ 1,395
Receivables - property taxes	-	6,240	6,240	-
Total Assets	\$ 1,125	\$ 12,480	\$ 12,210	\$ 1,395
Liabilities				
Deposits held in trust for others	\$ 1,125	\$ 6,240	\$ 5,970	\$ 1,395
Future tax collections	-	6,240	6,240	-
Total Liabilities	\$ 1,125	\$ 12,480	\$ 12,210	\$ 1,395
Belen Schools HB33 Suspense - 438				
Assets				
Cash and investments	\$ 114	\$ -	\$ -	\$ 114
Receivables - property taxes	-	-	-	-
Total Assets	\$ 114	\$ -	\$ -	\$ 114
Liabilities				
Deposits held in trust for others	\$ 114	\$ -	\$ -	\$ 114
Future tax collections	-	-	-	-
Total Liabilities	\$ 114	\$ -	\$ -	\$ 114

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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Electronic Federal Tax Payment System - 445				
Assets				
Cash and investments	\$ 665	373,839	298,916	\$ 75,588
Receivables - property taxes	-	373,839	373,839	-
Total Assets	\$ 665	\$ 747,678	\$ 672,755	\$ 75,588
Liabilities				
Deposits held in trust for others	\$ 665	\$ 373,839	\$ 298,916	\$ 75,588
Future tax collections	-	373,839	373,839	-
Total Liabilities	\$ 665	\$ 747,678	\$ 672,755	\$ 75,588
Homeland Security - 466				
Assets				
Cash and investments	\$ 2,564	\$ -	\$ -	\$ 2,564
Receivables - property taxes	-	-	-	-
Total Assets	\$ 2,564	\$ -	\$ -	\$ 2,564
Liabilities				
Deposits held in trust for others	\$ 2,564	\$ -	\$ -	\$ 2,564
Future tax collections	-	-	-	-
Total Liabilities	\$ 2,564	\$ -	\$ -	\$ 2,564
Sheriff's Department Evidence - 470				
Assets				
Cash and investments	\$ 36,546	\$ 9,127	\$ 304	\$ 45,369
Receivables - property taxes	-	9,127	9,127	-
Total Assets	\$ 36,546	\$ 18,254	\$ 9,431	\$ 45,369
Liabilities				
Deposits held in trust for others	\$ 36,546	\$ 9,127	\$ 304	\$ 45,369
Future tax collections	-	9,127	9,127	-
Total Liabilities	\$ 36,546	\$ 18,254	\$ 9,431	\$ 45,369
Overpayment of Taxes Fund - 471				
Assets				
Cash and investments	\$ 266,964	\$ 2,037	\$ 31,968	\$ 237,033
Receivables - property taxes	-	2,037	2,037	-
Total Assets	\$ 266,964	\$ 4,074	\$ 34,005	\$ 237,033
Liabilities				
Deposits held in trust for others	\$ 266,964	\$ 2,037	\$ 31,968	\$ 237,033
Future tax collections	-	2,037	2,037	-
Total Liabilities	\$ 266,964	\$ 4,074	\$ 34,005	\$ 237,033

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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Twining Corporate Processing Account - 472				
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 -474				
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 - 475				
Assets				
Cash and investments	\$ 428	\$ 135,743	\$ -	\$ 136,171
Receivables - property taxes	-	135,743	135,743	-
Total Assets	<u>\$ 428</u>	<u>\$ 271,486</u>	<u>\$ 135,743</u>	<u>\$ 136,171</u>
Liabilities				
Deposits held in trust for others	\$ 428	\$ 135,743	\$ -	\$ 136,171
Future tax collections	-	135,743	135,743	-
Total Liabilities	<u>\$ 428</u>	<u>\$ 271,486</u>	<u>\$ 135,743</u>	<u>\$ 136,171</u>
Multi-Activity-MI-LL-BLN DelRio Fund - 480				
Assets				
Cash and investments	\$ 4,671	\$ 3,819	\$ 1,142	\$ 7,348
Receivables - property taxes	-	3,819	3,819	-
Total Assets	<u>\$ 4,671</u>	<u>\$ 7,638</u>	<u>\$ 4,961</u>	<u>\$ 7,348</u>
Liabilities				
Deposits held in trust for others	\$ 4,671	\$ 3,819	\$ 1,142	\$ 7,348
Future tax collections	-	3,819	3,819	-
Total Liabilities	<u>\$ 4,671</u>	<u>\$ 7,638</u>	<u>\$ 4,961</u>	<u>\$ 7,348</u>

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Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Undistributed Current Taxes - 481				
Assets				
Cash and investments	\$ 1,237	\$ -	\$ 16	\$ 1,221
Receivables - property taxes	-	-	-	-
Total Assets	\$ 1,237	\$ -	\$ 16	\$ 1,221
Liabilities				
Deposits held in trust for others	\$ 1,237	\$ -	\$ 16	\$ 1,221
Future tax collections	-	-	-	-
Total Liabilities	\$ 1,237	\$ -	\$ 16	\$ 1,221
Undistributed Delinquent Tax - 482				
Assets				
Cash and investments	\$ 3,646	\$ -	\$ -	\$ 3,646
Receivables - property taxes	-	-	-	-
Total Assets	\$ 3,646	\$ -	\$ -	\$ 3,646
Liabilities				
Deposits held in trust for others	\$ 3,646	\$ -	\$ -	\$ 3,646
Future tax collections	-	-	-	-
Total Liabilities	\$ 3,646	\$ -	\$ -	\$ 3,646
VIA Processing Account -484				
Assets				
Cash and investments	\$ 1,157	\$ -	\$ -	\$ 1,157
Receivables - property taxes	-	-	-	-
Total Assets	\$ 1,157	\$ -	\$ -	\$ 1,157
Liabilities				
Deposits held in trust for others	\$ 1,157	\$ -	\$ -	\$ 1,157
Future tax collections	-	-	-	-
Total Liabilities	\$ 1,157	\$ -	\$ -	\$ 1,157
Adult Detention Inmate - 486				
Assets				
Cash and investments	\$ 94,763	\$ 269,816	\$ 225,559	\$ 139,020
Receivables - property taxes	-	269,816	269,816	-
Total Assets	\$ 94,763	\$ 539,632	\$ 495,375	\$ 139,020
Liabilities				
Deposits held in trust for others	\$ 94,763	\$ 269,816	\$ 225,559	\$ 139,020
Future tax collections	-	269,816	269,816	-
Total Liabilities	\$ 94,763	\$ 539,632	\$ 495,375	\$ 139,020

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Valencia County
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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Adult Detention Commissary - 489				
Assets				
Cash and investments	399,478	\$ 62,395	\$ 137,006	324,867
Receivables - property taxes	-	64,395	62,395	2,000
Total Assets	\$ 399,478	\$ 126,790	\$ 199,401	\$ 326,867
Liabilities				
Deposits held in trust for others	\$ 399,478	\$ 62,395	\$ 137,006	\$ 324,867
Future tax collections	-	64,395	62,395	2,000
Total Liabilities	\$ 399,478	\$ 126,790	\$ 199,401	\$ 326,867
Village of Los Lunas - 575				
Assets				
Cash and investments	\$ 58,746	3,328,617	3,342,081	45,282
Receivables - property taxes	213,680	3,366,986	3,328,617	252,049
Total Assets	\$ 272,426	\$ 6,695,603	\$ 6,670,698	\$ 297,331
Liabilities				
Deposits held in trust for others	\$ 58,746	\$ 3,328,617	\$ 3,342,081	\$ 45,282
Future tax collections	213,680	3,366,986	3,328,617	252,049
Total Liabilities	\$ 272,426	\$ 6,695,603	\$ 6,670,698	\$ 297,331
Village of Bosque Farms - 576				
Assets				
Cash and investments	\$ 2,696	251,578	249,903	4,371
Receivables - property taxes	18,289	254,216	251,578	20,927
Total Assets	\$ 20,985	\$ 505,794	\$ 501,481	\$ 25,298
Liabilities				
Deposits held in trust for others	\$ 2,696	\$ 251,578	\$ 249,903	\$ 4,371
Future tax collections	18,289	254,216	251,578	20,927
Total Liabilities	\$ 20,985	\$ 505,794	\$ 501,481	\$ 25,298
City of Belen - 577				
Assets				
Cash and investments	\$ 32,286	\$ 1,207,357	\$ 1,207,178	\$ 32,465
Receivables - property taxes	177,330	1,225,053	1,207,357	195,026
Total Assets	\$ 209,616	\$ 2,432,410	\$ 2,414,535	\$ 227,491
Liabilities				
Deposits held in trust for others	\$ 32,286	\$ 1,207,357	\$ 1,207,178	\$ 32,465
Future tax collections	177,330	1,225,053	1,207,357	195,026
Total Liabilities	\$ 209,616	\$ 2,432,410	\$ 2,414,535	\$ 227,491

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Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Town of Peralta - 578				
Assets				
Cash and investments	\$ 3,840	\$ 181,370	\$ 179,692	\$ 5,518
Receivables - property taxes	19,882	184,234	181,370	22,746
Total Assets	\$ 23,722	\$ 365,604	\$ 361,062	\$ 28,264
Liabilities				
Deposits held in trust for others	\$ 3,840	\$ 181,370	\$ 179,692	\$ 5,518
Future tax collections	19,882	184,234	181,370	22,746
Total Liabilities	\$ 23,722	\$ 365,604	\$ 361,062	\$ 28,264
City of Rio Communities - 579				
Assets				
Cash and investments	\$ 3,593	\$ 237,815	\$ 237,491	\$ 3,917
Receivables - property taxes	17,957	241,429	237,815	21,571
Total Assets	\$ 21,550	\$ 479,244	\$ 475,306	\$ 25,488
Liabilities				
Deposits held in trust for others	\$ 3,593	\$ 237,815	\$ 237,491	\$ 3,917
Future tax collections	17,957	241,429	237,815	21,571
Total Liabilities	\$ 21,550	\$ 479,244	\$ 475,306	\$ 25,488
Middle Rio Grande Conservancy District - 580				
Assets				
Cash and investments	\$ 83,749	\$ 3,591,733	\$ 3,568,666	\$ 106,816
Receivables - property taxes	565,130	3,657,494	3,591,733	630,891
Total Assets	\$ 648,879	\$ 7,249,227	\$ 7,160,399	\$ 737,707
Liabilities				
Deposits held in trust for others	\$ 83,749	\$ 3,591,733	\$ 3,568,666	\$ 106,816
Future tax collections	565,130	3,657,494	3,591,733	630,891
Total Liabilities	\$ 648,879	\$ 7,249,227	\$ 7,160,399	\$ 737,707
Soil & Water Conservancy District - 581				
Assets				
Cash and investments	\$ 7,751	\$ 341,897	\$ 342,220	\$ 7,428
Receivables - property taxes	61,024	352,056	341,897	71,183
Total Assets	\$ 68,775	\$ 693,953	\$ 684,117	\$ 78,611
Liabilities				
Deposits held in trust for others	\$ 7,751	\$ 341,897	\$ 342,220	\$ 7,428
Future tax collections	61,024	352,056	341,897	71,183
Total Liabilities	\$ 68,775	\$ 693,953	\$ 684,117	\$ 78,611

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Valencia County
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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Claunch-Pinto Soil & Water CF Fund - 582				
Assets				
Cash and investments	\$ -	\$ 260	\$ 260	\$ -
Receivables - property taxes	-	260	260	-
Total Assets	\$ -	\$ 520	\$ 520	\$ -
Liabilities				
Deposits held in trust for others	\$ -	\$ 260	\$ 260	\$ -
Future tax collections	-	260	260	-
Total Liabilities	\$ -	\$ 520	\$ 520	\$ -
Alpaca - 587				
Assets				
Cash and investments	\$ 5	\$ 16	\$ 15	\$ 6
Receivables - property taxes	-	15	15	-
Total Assets	\$ 5	\$ 31	\$ 30	\$ 6
Liabilities				
Deposits held in trust for others	\$ 5	\$ 16	\$ 15	\$ 6
Other liabilities	-	-	-	-
Future tax collections	-	15	15	-
Total Liabilities	\$ 5	\$ 31	\$ 30	\$ 6
Bison - 589				
Assets				
Cash and investments	\$ 16	\$ 121	\$ 164	\$ (27)
Receivables - property taxes	-	121	121	-
Total Assets	\$ 16	\$ 242	\$ 285	\$ (27)
Liabilities				
Deposits held in trust for others	\$ 16	\$ 121	\$ 164	\$ (27)
Future tax collections	-	121	121	-
Total Liabilities	\$ 16	\$ 242	\$ 285	\$ (27)
Swine - 590				
Assets				
Cash and investments	\$ 1	\$ 13	\$ 13	\$ 1
Receivables - property taxes	-	13	13	-
Total Assets	\$ 1	\$ 26	\$ 26	\$ 1
Liabilities				
Deposits held in trust for others	\$ 1	\$ 13	\$ 13	\$ 1
Future tax collections	-	13	13	-
Total Liabilities	\$ 1	\$ 26	\$ 26	\$ 1

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Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
State Operational - 591				
Assets				
Cash and investments	\$ 236,334	\$ 1,967,108	\$ 1,970,943	\$ 232,499
Receivables - property taxes	460,651	1,991,675	1,967,108	485,218
Total Assets	\$ 696,985	\$ 3,958,783	\$ 3,938,051	\$ 717,717
Liabilities				
Deposits held in trust for others	\$ 236,334	\$ 1,967,108	\$ 1,970,943	\$ 232,499
Future tax collections	460,651	1,991,675	1,967,108	485,218
Total Liabilities	\$ 696,985	\$ 3,958,783	\$ 3,938,051	\$ 717,717
Cattle Levy - 592				
Assets				
Cash and investments	\$ 858	\$ 7,542	\$ 7,679	\$ 721
Receivables - property taxes	1,896	8,918	7,542	3,272
Total Assets	\$ 2,754	\$ 16,460	\$ 15,221	\$ 3,993
Liabilities				
Deposits held in trust for others	\$ 858	\$ 7,542	\$ 7,679	\$ 721
Future tax collections	1,896	8,918	7,542	3,272
Total Liabilities	\$ 2,754	\$ 16,460	\$ 15,221	\$ 3,993
Sheep-Goat Levy - 593				
Assets				
Cash and investments	\$ 65	\$ 128	\$ 134	\$ 59
Receivables - property taxes	-	128	128	-
Total Assets	\$ 65	\$ 256	\$ 262	\$ 59
Liabilities				
Deposits held in trust for others	\$ 65	\$ 128	\$ 134	\$ 59
Future tax collections	-	128	128	-
Total Liabilities	\$ 65	\$ 256	\$ 262	\$ 59
Equine Levy - 594				
Assets				
Cash and investments	\$ 1,169	\$ 2,903	\$ 2,947	\$ 1,125
Receivables - property taxes	-	2,903	2,903	-
Total Assets	\$ 1,169	\$ 5,806	\$ 5,850	\$ 1,125
Liabilities				
Deposits held in trust for others	\$ 1,169	\$ 2,903	\$ 2,947	\$ 1,125
Future tax collections	-	2,903	2,903	-
Total Liabilities	\$ 1,169	\$ 5,806	\$ 5,850	\$ 1,125

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

Schedule IX
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**Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Darry Cattle Levy - 595				
Assets				
Cash and investments	\$ 327	\$ 18,262	\$ 9,627	\$ 8,962
Receivables - property taxes	-	18,262	18,262	-
Total Assets	\$ 327	\$ 36,524	\$ 27,889	\$ 8,962
Liabilities				
Deposits held in trust for others	\$ 327	\$ 18,262	\$ 9,627	\$ 8,962
Future tax collections	-	18,262	18,262	-
Total Liabilities	\$ 327	\$ 36,524	\$ 27,889	\$ 8,962
Cost to the State - 596				
Assets				
Cash and investments	\$ 44,095	\$ 534,850	\$ 537,018	\$ 41,927
Receivables - property taxes	-	534,850	534,850	-
Total Assets	\$ 44,095	\$ 1,069,700	\$ 1,071,868	\$ 41,927
Liabilities				
Deposits held in trust for others	\$ 44,095	\$ 534,850	\$ 537,018	\$ 41,927
Future tax collections	-	534,850	534,850	-
Total Liabilities	\$ 44,095	\$ 1,069,700	\$ 1,071,868	\$ 41,927
State Penalty & Interest - 597				
Assets				
Cash and investments	\$ (21,005)	\$ -	\$ -	\$ (21,005)
Receivables - property taxes	-	-	-	-
Total Assets	\$ (21,005)	\$ -	\$ -	\$ (21,005)
Liabilities				
Deposits held in trust for others	\$ (21,005)	\$ -	\$ -	\$ (21,005)
Future tax collections	-	-	-	-
Total Liabilities	\$ (21,005)	\$ -	\$ -	\$ (21,005)
Los Lunas Schools - 701				
Assets				
Cash and investments	\$ 87,734	11,572,849	11,441,125	219,458
Receivables - property taxes	2,291,879	11,720,908	11,572,849	2,439,938
Total Assets	\$ 2,379,613	\$ 23,293,757	\$ 23,013,974	\$ 2,659,396
Liabilities				
Deposits held in trust for others	\$ 87,734	\$ 11,572,849	\$ 11,441,125	\$ 219,458
Future tax collections	2,291,879	11,720,908	11,572,849	2,439,938
Total Liabilities	\$ 2,379,613	\$ 23,293,757	\$ 23,013,974	\$ 2,659,396

STATE OF NEW MEXICO

Valencia County

Agency Funds

Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019

Schedule IX

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	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Belen Schools - 702				
Assets				
Cash and investments	\$ 299,724	\$ 5,536,973	\$ 5,693,519	\$ 143,178
Receivables - property taxes	1,692,341	5,604,270	5,536,973	1,759,638
Total Assets	\$ 1,992,065	\$ 11,141,243	\$ 11,230,492	\$ 1,902,816
Liabilities				
Deposits held in trust for others	\$ 299,724	\$ 5,536,973	\$ 5,693,519	\$ 143,178
Future tax collections	1,692,341	5,604,270	5,536,973	1,759,638
Total Liabilities	\$ 1,992,065	\$ 11,141,243	\$ 11,230,492	\$ 1,902,816
School of Dreams - 764				
Assets				
Cash and investments	\$ 4,070	\$ 233,092	\$ 232,880	\$ 4,282
Receivables - property taxes	823	233,092	233,146	769
Total Assets	\$ 4,893	\$ 466,184	\$ 466,026	\$ 5,051
Liabilities				
Deposits held in trust for others	\$ 4,070	\$ 233,092	\$ 232,880	\$ 4,282
Future tax collections	823	233,092	233,146	769
Total Liabilities	\$ 4,893	\$ 466,184	\$ 466,026	\$ 5,051
UNM Branch College - 767				
Assets				
Cash and investments	\$ 66,289	\$ 2,833,532	\$ 2,839,171	\$ 60,650
Receivables - property taxes	659,344	2,869,869	2,833,532	695,681
Total Assets	\$ 725,633	\$ 5,703,401	\$ 5,672,703	\$ 756,331
Liabilities				
Deposits held in trust for others	\$ 66,289	\$ 2,833,532	\$ 2,839,171	\$ 60,650
Future tax collections	659,344	2,869,869	2,833,532	695,681
Total Liabilities	\$ 725,633	\$ 5,703,401	\$ 5,672,703	\$ 756,331
UNM Building Bonds - 768				
Assets				
Cash and investments	\$ 29,194	\$ 1,243,143	\$ 1,245,565	\$ 26,772
Receivables - property taxes	305,789	1,255,824	1,243,143	318,470
Total Assets	\$ 334,983	\$ 2,498,967	\$ 2,488,708	\$ 345,242
Liabilities				
Deposits held in trust for others	\$ 29,194	\$ 1,243,143	\$ 1,245,565	\$ 26,772
Future tax collections	305,789	1,255,824	1,243,143	318,470
Total Liabilities	\$ 334,983	\$ 2,498,967	\$ 2,488,708	\$ 345,242

STATE OF NEW MEXICO

Valencia County

Agency Funds

Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019

Schedule IX

Page 11 of 11

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Valencia County Hospital - 801				
Assets				
Cash and investments	\$ 25,780,217	\$ 376,539	\$ 30,126	\$ 26,126,630
Receivables - property taxes	369,805	311,635	376,539	304,901
Total Assets	\$ 26,150,022	\$ 688,174	\$ 406,665	\$ 26,431,531
Liabilities				
Deposits held in trust for others	\$ 25,780,217	\$ 376,539	\$ 30,126	\$ 26,126,630
Future tax collections	369,805	311,635	376,539	304,901
Total Liabilities	\$ 26,150,022	\$ 688,174	\$ 406,665	\$ 26,431,531
Total Agency Funds				
Assets				
Cash and investments	\$ 27,545,679	\$ 36,302,614	\$ 35,811,198	28,037,095
Receivables - property taxes	6,855,820	36,671,127	36,302,667	7,224,280
Total Assets	\$ 34,401,499	\$ 72,973,741	\$ 72,113,865	\$ 35,261,375
Liabilities				
Deposits held in trust for others	\$ 27,545,679	\$ 36,302,614	\$ 35,811,198	\$ 28,037,095
Future tax collections	6,855,820	36,671,127	36,302,667	7,224,280
Total Liabilities	\$ 34,401,499	\$ 72,973,741	\$ 72,113,865	\$ 35,261,375

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COMPLIANCE SECTION



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

INDEPENDENT AUDITOR'S REPORT

Brian S. Colon, ESQ
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 fund of Valencia County, New Mexico (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 22, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item FS 2019-001 to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items FS 2018-001 and FS 2018-002 to be significant deficiencies.

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 2018-002.

County's Response to Findings

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

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 22, 2019

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FEDERAL FINANCIAL ASSISTANCE



Auditors~Consultants~CPA

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

Brian S. Colon, Esq
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, 2019. 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, 2019.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 22, 2019

STATE OF NEW MEXICO
Valencia County
Schedule of Expenditures of Federal Awards
June 30, 2019

Schedule X

<u>Federal grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Funds Provided to Subrecipients</u>	<u>Noncash Assistance</u>
US DEPT OF JUSTICE				
Direct:				
BJA -Edward Byrne Memorial Justice Assistance (JAG)	16.738	\$ 53,019	\$ -	\$ -
Bullet Proof Vests Partnership Program	16.607	23,449	-	-
BIA-Swwtate Criminal Alien Assistance Program	16.606	12,328	-	-
Total U.S. Dept. of Justice		<u>\$ 88,796</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through New Mexico Department of Homeland Security				
Emergency Medical Transport	97.042	\$ 9,770	\$ -	\$ -
FEMA Assistance to Firefighters	97.044 *	373,819	-	-
Total U.S. Department of Homeland Security		<u>\$ 383,589</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through NM Department of Transportation				
End Driving While Impaired (ENDWI)	20.608	29,855	-	-
Passed through NM Department of Transportation				
FHWA- NM DOT Manzano Express	20.205 *	12,786	-	-
Passed through NM Department of Transportation				
FHWA- NM DOT Mill Rd	20.205 *	293,848	-	-
Passed through NM Department of Transportation				
FHWA- NM DOT NM 47	20.205 *	34,919	-	-
Passed through NM Department of Transportation				
FHWA- NM DOT Gabaldon	20.205 *	17,863	-	-
Passed through NM Department of Transportation				
FHWA- NM DOT El Cerro	20.205 *	82,608	-	-
Total U.S. Department of Transportation		<u>471,879</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Aging and Long Term Services (ALTS)				
Direct Purchase of Services	93.045	70,173	-	-
Nutrition Service Incentive Program (NSIP)	93.053	48,276	-	-
Total U.S. Department of Health and Human Services		<u>118,449</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards:		<u>\$ 1,062,713</u>	<u>\$ -</u>	<u>\$ -</u>

* Indicates major program / cluster

STATE OF NEW MEXICO
Valencia County
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2019

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, 2019:

Valencia County federal expenditures as reported on the SEFA	\$ 1,062,713
Expenditures funded by other sources	<u>30,398,473</u>
Total expenditures	<u><u>\$ 31,461,186</u></u>

**STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Questioned Costs
June 30, 2019**

Section I: Summary of Audit Results

SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditors' report issued **Unmodified**

Internal control over financial reporting:

Material Weakness identified	Yes
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

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	NM Department of Transportation	Unmodified
97.044	FEMA Assistance to Firefighters	Unmodified

Dollar threshold used to distinguish between a type A and type B programs. \$750,000

Auditee Qualified as a low-risk auditee? No

STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Questioned Costs
June 30, 2019

Section II: Prior Year Audit Findings

FS 2016-001	Stale Dated Checks	Resolved
FS 2017-001	RHC and PERA (Other Matter and Non-Compliance)	Resolved
FS 2017-002	Restatement (Significant Deficiency)	Resolved
FS 2018-001	Controls Over Cash and Bank Reconciliations (Significnat Deficiency)	Modified and repeated
FS 2018-002	Department of Finance and Administration Cash Report (Other Non-Compliance)	Modified and repeated

STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Questioned Costs
June 30, 2019

Section III: Audit Findings

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 understated by \$35,174 and allocated cash had to be reallocated by \$2,219,582.
- This was a previous audit findings and it was not resolved in fiscal year 2019

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: The County is exposed to additional risk of properly tracking and reporting cash balances and allocated pooled cash balances.

Cause: Due to a journal entry being double booked at year end the county's cash allocation was not properly allocated in the fund financial statements and due to the county not reconciling total pooled cash to total reconciled cash in each bank statement cash was understated by \$35,174.

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: This error was caused by mistake our part in reversing a journal entry and not following through to ensure it posted correctly. Kendra and Loretta will work together to develop a course of action to reconcile pooled cash to total pooled cash allocated to funds. Once we determine the best course for this we will ensure to make this part of the monthly reconciliation processes.

Responsible Party: Bookkeeper Administrator and Finance Director

Timeline: March 2020

STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Questioned Costs
June 30, 2019

FS 2018-002 – Department of Finance and Administration Cash Report resulting in Budgeted Cash in excess of Available Balances - (Significant Deficiency and 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 \$378,052. This resulted the county using the DFA cash balances which were incorrect to plan their budget and having appropriations exceeding available balances in the following funds:

- Farm and Range: \$4,363
- Adult Detention Center: \$338,861

Further, this was a previous audit findings and the County did not take adequate corrective action to resolve these issues.

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. Per Section 6-6-11, NMSA 1978 (the Batemen Act), it is unlawful for any board of county commissioners, municipal governing body or any local school board, for any purpose whatever to become indebted or contract any debts of any kind or nature whatsoever during any current year which, at the end of such current year, is not and cannot then be paid out of the money actually collected and belonging to that current year, and any indebtedness for any current year which is not paid and cannot be paid, as above provided for, is void. In addition, Section 2.2.2.10. (O) (1), NMAC, states that the County's cash balances budgeted to absorb budget deficits cannot exceed the actual cash balance available at the end of the prior year.

Effect: The County having inaccurate cash balances reported to the DFA resulted in having cash appropriation in excess of available balances in two funds, which is not in compliance with the Batemen Act.

Cause: The County's cash balances reported to the DFA which are used in the creation of the County's budget were overstated by 378,052.

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: Valencia County acknowledges the unaudited cash balances submitted to DFA were not adjusted accordingly in the past. This concern was previous discussed by current finance director and County Manager Monette, so we were aware there may be some discrepancies we needed to address. We are committed to correcting these balances to ensure accuracy in our reports submitted to DFA, along with knowing we are operating within our means for each fund.

Responsible Parties: Finance Director

Timeline: Prior to fiscal year end June 30, 2020

STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Questioned Costs
June 30, 2019

FS 2019-001 Capital Assets – Material Weakness

Condition: During the capital asset inventory procedures, we noted the following issues:

- The County does not have processes or internal controls in place over their governmental activity capital asset listing to ensure the information is correct. This includes:
- The capital assets system was not being reconciled during the fiscal year.
- The County's system did not properly track equipment depreciation by asset.
- The County did not perform the required annual capital asset inventory.
- The County is not properly tracking construction in process and does not have a process in place to ensure construction is being monitored.

Criteria: Section 2.20.1 of NMAC requires agencies to properly account for capital assets. The required capital asset accounting system is described in Section 2.20.1.8 of NMAC. Proper controls over the capital assets are described in Section 2.20.1.15 of NMAC. The statutory annual inventory requirement is described in Section 2.20.1.16 of NMAC. Section 12-6-10 NMSA1978 requires that the County's capital asset inventory list any item costing more than \$5,000, effective June 17, 2005.

Effect: Without proper accounting for capital asset additions, deletions, and depreciation, the County is exposing their financial statements to higher risk of misstatement.

Cause: The County employee who was assigned to the task of tracking capital assets was not performing their assigned duties. When we performed field work this person found another job and it was discovered that they were not performing their assigned duties during their duration of employment with the County.

Auditors' Recommendation: The County must conduct a physical inventory of its capital assets in accordance with state statute and update the inventory annually. Further, all of the County's personnel should report to their direct supervisor on a daily basis and the chain of command in the County should be followed by all employees.

Management's Response: Valencia County has restructured the job description to identify Capital Assets/Asset Inventory as the main function of this vacant position with our finance department to ensure this very important function is addressed. We will have this position filled by mid-November. Proper training, through our software provider, will be provided to ensure this individual is proficient with the software system. Assets acquired/disposed during FY19, along with depreciation schedules should be updated by mid-February 2020. Assets acquired/disposed during current FY20, along with depreciation schedules will be entered to reflect on fiscal year end reports.

Responsible Parties: Finance Director and Accountant

Timeline: Prior to fiscal year end June 30, 2020



Valencia County
Office of the County Manager
444 Luna Avenue ♦ P.O. Box 1119
Los Lunas, New Mexico 87031
Office: 505.866.2014 ♦ Fax: 505.866.3355

Auditee Corrective Action Plan

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

Corrective Action Plan: This error was caused by a mistake on our part in reversing a journal entry and not following through to ensure it posted correctly. Kendra and Loretta will work together to develop a course of action to reconcile pooled cash to total pooled cash allocated to funds. Once we determine the best course for this we will ensure to make this part of the monthly reconciliation processes.

Responsible Person: Kendra Kaneshiro, Bookkeeper Administrator – Loretta Trujillo, Finance Director

Anticipated Completion Date: March 2020

FS 2018-002 – Department of Finance and Administration Cash Report resulting in Budgeted Cash in excess of Available Balances - (Significant Deficiency and Non-Compliance)

Corrective Action Plan: Valencia County acknowledges the unaudited cash balances submitted to DFA were not adjusted accordingly in the past. This concern was previously discussed by current finance director and County Manager Monette, so we were aware there may be some discrepancies we needed to address. We are committed to correcting these balances to ensure accuracy in our reports submitted to DFA, along with knowing we are operating within our means for each fund.

Responsible Person: Loretta Trujillo, Finance Director

Anticipated Completion Date: Prior to fiscal year end June 30, 2020

FS 2019-001 Capital Assets – Material Weakness

Corrective Action Plan: Valencia County has restructured the job description to identify Capital Assets/Asset Inventory as the main function of this vacant position with our finance department to ensure this very important function is addressed. We will have this position filled by mid-November. Proper training, through our software provider, will be provided to ensure this individual is proficient with the software system. Assets acquired/disposed during FY19, along with depreciation schedules should be updated by mid-February 2020. Assets acquired/disposed during current FY20, along with depreciation schedules will be entered to reflect on fiscal year end reports.

Responsible Person: Finance Accountant

Anticipated Completion Date: Prior to fiscal year end June 30, 2020

*Jhonathan Aragon, Chair, District V ♦ David Carlberg, Vice Chair, District II ♦
Gerard Saiz, District I ♦ David Hyder, District III Charles Eaton, Vice-Chair, District IV ♦
Daniel Monette, County Manager*

**STATE OF NEW MEXICO
Valencia County
Exit Conference
June 30, 2019**

Exit Conference

An exit conference was held on October 22, 2012. In attendance were the following:

Representing Valencia County:

Johnathan Aragon	Commissioner / Chairman
Danny Monette	County Manager
Loretta Trujillo	Finance Director
Andrea Cordova - Wolf	Accounts Payable
Michelle Garland	Finance Admin / Payroll
Kendra Kaneshiro	Bookkeeping Admin
Rustin Porter	Purchasing Agent
Denisse Barrera	Finance Admin
Orlando Montoya	HR Director

Representing Southwest Accounting Solutions, LLC

Robert Peixotto, CPA	Managing Member
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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.