

Rio Arriba County  
Financial Statements  
For the Year Ended June 30, 2023



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## **INTRODUCTORY SECTION**

**RIO ARRIBA COUNTY**  
Annual Financial Report  
June 30, 2023  
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**RIO ARRIBA COUNTY**

Official Roster

June 30, 2023

<b><u>Name</u></b>	<b><u>Elected Officials</u></b>	<b><u>Title</u></b>
James J. Martinez		Commissioner - Chairman
Moises A. Morales		Commissioner
Christine A. Bustos		Commissioner

	<b><u>Department Heads</u></b>	
Lucia F. Sanchez		County Manager
Matthew Casados		Deputy County Manager
Vacant		Finance Director
Guadalupe Mercure		Assistant Finance Director

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Joseph M. Maestas, P.E.  
New Mexico State Auditor  
U.S. Office of Management and Budget  
County Commissioners  
Rio Arriba County  
Tierra Amarilla, New Mexico

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Rio Arriba County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Rio Arriba County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the General Fund and major special revenue funds of Rio Arriba County, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rio Arriba County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rio Arriba County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Rio Arriba County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rio Arriba County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Schedules A-1 and A-2, the notes to the Required Supplementary Information, and Schedules B-1 and B-2 on pages 90 through 103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by the missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rio Arriba County's basic financial statements. The combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Supporting Schedules I through IV required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards and the Supporting Schedules I through IV required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the Rio Arriba 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rio Arriba County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rio Arriba County's internal control over financial reporting and compliance.



Cordova CPAs LLC  
Albuquerque, New Mexico  
June 28, 2024

**BASIC  
FINANCIAL STATEMENTS**

**RIO ARRIBA COUNTY**  
Statement of Net Position  
June 30, 2023

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 79,013,755	\$ 496,439	\$ 79,510,194
Investments	6,103,938	210,974	6,314,912
Receivables:			
Property taxes	2,389,697	-	2,389,697
Other taxes	2,207,834	-	2,207,834
Due from other governments	2,444,682	151,557	2,596,239
Other receivables	-	13,867	13,867
Leases receivable - current	192,611	-	192,611
Prepaid expenses	-	14,377	14,377
<i>Total current assets</i>	<u>92,352,517</u>	<u>887,214</u>	<u>93,239,731</u>
Noncurrent assets			
Restricted cash and cash equivalents	4,493,782	8,869	4,502,651
Right of use assets, net	73,958	-	73,958
Leases receivable - noncurrent	732,916	-	732,916
Due from other governments	-	215,899	215,899
Capital assets	165,900,831	5,965,281	171,866,112
Less: accumulated depreciation	<u>(80,840,345)</u>	<u>(5,669,632)</u>	<u>(86,509,977)</u>
<i>Total noncurrent assets</i>	<u>90,361,142</u>	<u>520,417</u>	<u>90,881,559</u>
<i>Total assets</i>	<u>182,713,659</u>	<u>1,407,631</u>	<u>184,121,290</u>
<b>Deferred outflows of resources</b>			
Deferred outflows- pension	4,086,533	18,806	4,105,339
Deferred outflows- OPEB	<u>1,467,170</u>	<u>-</u>	<u>1,467,170</u>
<i>Total deferred outflows of resources</i>	<u>5,553,703</u>	<u>18,806</u>	<u>5,572,509</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 188,267,362</u>	<u>\$ 1,426,437</u>	<u>\$ 189,693,799</u>

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 289,764	\$ 6,093	\$ 295,857
Accrued payroll	326,858	3,531	330,389
Accrued compensated absences	-	6,753	6,753
Accrued interest	287,801	-	287,801
Unearned revenue	9,564,308	7,028	9,571,336
Current portion of leases payable	54,364	-	54,364
Current portion of loans and bonds payable	1,463,833	-	1,463,833
<i>Total current liabilities</i>	<u>11,986,928</u>	<u>23,405</u>	<u>12,010,333</u>
Noncurrent liabilities			
Accrued compensated absences	526,833	2,106	528,939
Loans and bonds payable	33,097,626	-	33,097,626
Noncurrent portion of leases payable	20,691	-	20,691
Tenant deposits	-	7,370	7,370
Net pension liability	22,814,649	104,826	22,919,475
Net OPEB liability	4,352,265	-	4,352,265
<i>Total noncurrent liabilities</i>	<u>60,812,064</u>	<u>114,302</u>	<u>60,926,366</u>
<i>Total liabilities</i>	<u>72,798,992</u>	<u>137,707</u>	<u>72,936,699</u>
<b>Deferred inflows of resources</b>			
Deferred inflows- leases	925,527	-	925,527
Deferred inflows- pension	1,378,043	12,061	1,390,104
Deferred inflows- OPEB	4,891,482	-	4,891,482
<i>Total deferred inflows of resources</i>	<u>7,195,052</u>	<u>12,061</u>	<u>7,207,113</u>
<b>Net position</b>			
Net investment in capital assets	67,888,376	295,649	68,184,025
Restricted for:			
Debt service	2,322,231	-	2,322,231
Capital projects	14,702,186	-	14,702,186
Special revenue projects	27,399,111	-	27,399,111
Section 8 program	-	1,499	1,499
Unrestricted	(4,038,586)	979,521	(3,059,065)
<i>Total net position</i>	<u>108,273,318</u>	<u>1,276,669</u>	<u>109,549,987</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 188,267,362</u>	<u>\$ 1,426,437</u>	<u>\$ 189,693,799</u>

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

**RIO ARRIBA COUNTY**  
Statement of Activities  
For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General government	\$ 11,561,904	\$ 1,761,926	\$ 3,630,390	\$ 1,601,708
Public safety	14,607,999	25,969	7,756,121	-
Public works	2,614,996	25,432	706,271	776,902
Culture and recreation	1,021,875	-	14,647	-
Health and welfare	4,437,655	2,750	2,118,215	332,064
Interest and other costs	1,392,138	-	-	-
<i>Total governmental activities</i>	<u>35,636,567</u>	<u>1,816,077</u>	<u>14,225,644</u>	<u>2,710,674</u>
<b>Business-type Activities:</b>				
Housing authority	456,642	115,391	321,037	30,120
<i>Total business-type activities</i>	<u>456,642</u>	<u>115,391</u>	<u>321,037</u>	<u>30,120</u>
<i>Total</i>	<u>\$ 36,093,209</u>	<u>\$ 1,931,468</u>	<u>\$ 14,546,681</u>	<u>\$ 2,740,794</u>

**General Revenues:**

Taxes:  
Property taxes  
Gross receipts taxes  
Oil and gas, franchise and motor vehicle  
Lodger's taxes  
Investment income  
Miscellaneous revenue  
Loss on sale of capital assets

Total general revenues

Change in net position

Net position, beginning

Net position, ending

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

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (4,567,880)	\$ -	\$ (4,567,880)
(6,825,909)	-	(6,825,909)
(1,106,391)	-	(1,106,391)
(1,007,228)	-	(1,007,228)
(1,984,626)	-	(1,984,626)
(1,392,138)	-	(1,392,138)
<u>(16,884,172)</u>	<u>-</u>	<u>(16,884,172)</u>
-	9,906	9,906
-	9,906	9,906
<u>(16,884,172)</u>	<u>9,906</u>	<u>(16,874,266)</u>
9,454,151	-	9,454,151
11,179,390	-	11,179,390
11,734,986	-	11,734,986
141,509	-	141,509
1,034,629	1,358	1,035,987
442,358	70,461	512,819
(1,099)	-	(1,099)
<u>33,985,924</u>	<u>71,819</u>	<u>34,057,743</u>
17,101,752	81,725	17,183,477
<u>91,171,566</u>	<u>1,194,944</u>	<u>92,366,510</u>
<u>\$ 108,273,318</u>	<u>\$ 1,276,669</u>	<u>\$ 109,549,987</u>

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

**RIO ARRIBA COUNTY**  
Balance Sheet  
Governmental Funds  
June 30, 2023

	<u>General Fund</u>	<u>Indigent Fund</u>	<u>Correctional Facility</u>	<u>County Funded Capital Projects</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 19,543,561	\$ 3,303,269	\$ 2,279,885	\$ 9,583,290
Investments	-	2,700,000	-	1,603,938
Receivables:				
Property taxes	2,389,697	-	-	-
Other taxes	1,147,394	158,231	141,926	37,783
Due from other governments	192,703	-	1,120	17,490
Due from other funds	1,419,218	-	-	-
<i>Total assets</i>	<u>\$ 24,692,573</u>	<u>\$ 6,161,500</u>	<u>\$ 2,422,931</u>	<u>\$ 11,242,501</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<i>Liabilities</i>				
Accounts payable	\$ 84,547	\$ -	\$ 111,311	\$ -
Accrued payroll expenses	178,529	491	53,998	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>263,076</u>	<u>491</u>	<u>165,309</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue - property taxes	2,248,340	-	-	-
Unavailable revenue - loan receivable	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>2,248,340</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable:				
Restricted for:				
General county operations	-	-	-	-
Public safety	-	-	2,257,622	-
Culture and recreation	-	-	-	-
Health and welfare	-	6,161,009	-	-
County roads	-	-	-	-
Capital improvements	-	-	-	11,242,501
Debt service	-	-	-	-
Committed to:				
Minimum fund balance	3,378,788	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	18,802,369	-	-	-
<i>Total fund balances</i>	<u>22,181,157</u>	<u>6,161,009</u>	<u>2,257,622</u>	<u>11,242,501</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 24,692,573</u>	<u>\$ 6,161,500</u>	<u>\$ 2,422,931</u>	<u>\$ 11,242,501</u>

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

<b>PPRF-5834 Series 2022 GO Bonds</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ 13,179,712	\$ 35,617,820	\$ 83,507,537
-	1,800,000	6,103,938
-	-	2,389,697
-	722,500	2,207,834
-	2,233,369	2,444,682
-	-	1,419,218
<u>\$ 13,179,712</u>	<u>\$ 40,373,689</u>	<u>\$ 98,072,906</u>
\$ -	\$ 93,906	\$ 289,764
-	93,840	326,858
14,221	1,404,997	1,419,218
-	9,564,308	9,564,308
<u>14,221</u>	<u>11,157,051</u>	<u>11,600,148</u>
-	-	2,248,340
-	336,205	336,205
-	336,205	2,584,545
-	1,786,947	1,786,947
-	11,519,967	13,777,589
-	293,424	293,424
-	1,861,924	8,022,933
-	3,198,170	3,198,170
13,165,491	4,580,156	28,988,148
-	4,564,624	4,564,624
-	-	3,378,788
-	32,553	32,553
-	1,056,372	1,056,372
-	(13,704)	18,788,665
<u>13,165,491</u>	<u>28,880,433</u>	<u>83,888,213</u>
<u>\$ 13,179,712</u>	<u>\$ 40,373,689</u>	<u>\$ 98,072,906</u>

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

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**RIO ARRIBA COUNTY**  
Reconciliation of the Balance Sheet to the Statement of Net Position  
Governmental Funds  
June 30, 2023

Exhibit B-1  
Page 2 of 2

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

Fund balances - total governmental funds	\$	83,888,213
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		85,060,486
Right of use assets, net of accumulated amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds		73,958
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		2,248,340
Leases receivable, used in governmental activities are not financial resources and, therefore, are not reported in the funds Leases receivable		925,527
Loans receivables not collected within sixty days after year end are not considered "available" revenue and are considered deferred inflow in the fund financial statement, but are considered revenue in the Statement of Activities		336,205
Deferred outflows and inflows of resources related to leases, pensions and OPEB are applicable to future periods and therefore, are not reported in funds:		
Deferred inflows- leases		(925,527)
Deferred outflows- pension		4,086,533
Deferred outflows- OPEB		1,467,170
Deferred inflows- pension		(1,378,043)
Deferred inflows- OPEB		(4,891,482)
Certain liabilities, including loans and bonds payable and related components, accrued interest, the net pension and OPEB liabilities, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued compensated absences		(526,833)
Accrued interest		(287,801)
Leases payable		(75,055)
Loans and bonds payable		(34,561,459)
Net pension liability		(22,814,649)
Net OPEB liability		(4,352,265)
		83,888,213
<i>Net position of governmental activities</i>	\$	108,273,318

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

**RIO ARRIBA COUNTY**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Indigent Fund</u>	<u>Correctional Facility</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 7,050,640	\$ -	\$ -
Gross receipts taxes	5,932,293	872,306	826,696
Gasoline, franchise, and motor vehicle	9,027,777	275,135	-
Lodgers tax	-	-	-
Intergovernmental:			
PILT and federal operating grants	3,027,885	-	-
Federal capital grants	-	-	-
State operating grants	638,289	-	423,606
State capital grants	-	-	-
Charges for services	388,560	-	-
Licenses and fees	1,267,644	-	-
Investment income (loss)	4,008	(67,704)	-
Miscellaneous	22,532	-	-
<i>Total revenues</i>	<u>27,359,628</u>	<u>1,079,737</u>	<u>1,250,302</u>
<i>Expenditures</i>			
Current:			
General government	10,148,817	-	-
Public safety	2,623,051	-	4,523,747
Public works	302,940	-	-
Culture and recreation	187,704	-	-
Health and welfare	252,641	507,158	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Loan issuance costs	-	-	-
<i>Total expenditures</i>	<u>13,515,153</u>	<u>507,158</u>	<u>4,523,747</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>13,844,475</u>	<u>572,579</u>	<u>(3,273,445)</u>
<i>Other financing sources (uses)</i>			
Bond and loan proceeds	-	-	-
Proceeds from sale of capital assets	1,007	-	-
Transfers in	2,237,137	-	4,311,760
Transfers (out)	(9,128,883)	-	-
<i>Total other financing sources (uses)</i>	<u>(6,890,739)</u>	<u>-</u>	<u>4,311,760</u>
<i>Net change in fund balance</i>	6,953,736	572,579	1,038,315
<i>Fund balance - beginning of year</i>	<u>15,227,421</u>	<u>5,588,430</u>	<u>1,219,307</u>
<i>Fund balance - end of year</i>	<u>\$ 22,181,157</u>	<u>\$ 6,161,009</u>	<u>\$ 2,257,622</u>

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

<b>County Funded Capital Projects</b>	<b>PPRF-5834 Series 2022 GO Bonds</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ -	\$ -	\$ 2,761,672	\$ 9,812,312
429,490	-	3,118,605	11,179,390
-	-	2,432,074	11,734,986
-	-	141,509	141,509
-	-	3,333,525	6,361,410
-	-	610,504	610,504
-	-	6,859,756	7,921,651
-	-	2,100,170	2,100,170
-	-	134,441	523,001
-	-	25,432	1,293,076
772,188	280,832	45,305	1,034,629
10,490	-	409,336	442,358
<u>1,212,168</u>	<u>280,832</u>	<u>21,972,329</u>	<u>53,154,996</u>
146,869	-	1,683,303	11,978,989
-	-	5,869,538	13,016,336
-	-	1,314,871	1,617,811
-	-	144,123	331,827
-	-	2,962,079	3,721,878
413,577	60,749	5,065,129	5,539,455
-	1,620,000	954,456	2,574,456
-	32,400	926,880	959,280
-	302,192	-	302,192
<u>560,446</u>	<u>2,015,341</u>	<u>18,920,379</u>	<u>40,042,224</u>
<u>651,722</u>	<u>(1,734,509)</u>	<u>3,051,950</u>	<u>13,112,772</u>
-	14,900,000	-	14,900,000
29,298	-	21,959	52,264
3,400,000	-	1,879,955	11,828,852
(245,692)	-	(2,454,277)	(11,828,852)
<u>3,183,606</u>	<u>14,900,000</u>	<u>(552,363)</u>	<u>14,952,264</u>
3,835,328	13,165,491	2,499,587	28,065,036
7,407,173	-	26,380,846	55,823,177
<u>\$ 11,242,501</u>	<u>\$ 13,165,491</u>	<u>\$ 28,880,433</u>	<u>\$ 83,888,213</u>

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

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**RIO ARRIBA COUNTY**

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2023

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$ 28,065,036
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>	
Capital outlay additions reported in capital outlay expenditures	5,539,455
Depreciation expense	(4,807,169)
Book value of disposed assets	(53,363)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:</p>	
Change in deferred inflows related to the property taxes receivable	(358,161)
Change in deferred inflows related to loan receivable	(57,417)
<p>Governmental funds report County pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense:</p>	
County pension contributions subsequent to measurement date	1,242,139
County OPEB contributions subsequent to measurement date	179,492
Net pension expense	(1,583,610)
Net OPEB income	1,269,173
<p>Expenses in the Statement of Activities that do not require current financial resources are not reported as expenditures in the funds:</p>	
Increase in accrued interest	(130,666)
<p>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:</p>	
Decrease in accrued compensated absences	122,387
Bond and loan proceeds	(14,900,000)
Principal payments on loans and bonds	2,574,456
<u>Change in net position of governmental activities</u>	<u>\$ 17,101,752</u>

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

**RIO ARRIBA COUNTY**

Exhibit C-1

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<i>Revenues</i>				
Taxes:				
Property	\$ 5,555,500	\$ 5,555,500	\$ 7,041,417	\$ 1,485,917
Gross receipts	3,295,000	3,295,000	5,976,614	2,681,614
Gasoline, franchise and motor vehicle	2,931,200	2,931,200	9,882,999	6,951,799
Intergovernmental:				
Federal operating grants	2,500,000	2,500,000	3,027,885	527,885
State operating grants	405,000	486,148	493,386	7,238
Charges for services	55,000	55,000	388,560	333,560
Licenses and fees	612,900	612,900	1,291,759	678,859
Investment income	-	-	4,008	4,008
Miscellaneous	80,000	80,000	11,546	(68,454)
<i>Total revenues</i>	<u>15,434,600</u>	<u>15,515,748</u>	<u>28,118,174</u>	<u>12,602,426</u>
<i>Expenditures</i>				
Current:				
General government	10,597,116	10,795,282	10,095,865	699,417
Public safety	3,084,506	3,089,795	2,601,310	488,485
Public works	315,538	315,538	303,321	12,217
Culture and recreation	275,211	275,211	188,542	86,669
Health and welfare	469,960	347,653	254,650	93,003
<i>Total expenditures</i>	<u>14,742,331</u>	<u>14,823,479</u>	<u>13,443,688</u>	<u>1,379,791</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>692,269</u>	<u>692,269</u>	<u>14,674,486</u>	<u>13,982,217</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	8,261,529	6,194,475	-	(6,194,475)
Proceeds from sale of capital assets	5,000	5,000	-	(5,000)
Transfers in	-	2,237,139	2,237,137	(2)
Transfers (out)	(8,958,798)	(9,128,883)	(9,128,883)	-
<i>Total other financing sources (uses)</i>	<u>(692,269)</u>	<u>(692,269)</u>	<u>(6,891,746)</u>	<u>(6,199,477)</u>
<i>Net change in fund balance</i>	-	-	7,782,740	7,782,740
<i>Fund balance - beginning of year</i>	-	-	13,180,039	13,180,039
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,962,779</u>	<u>\$ 20,962,779</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 7,782,740	
Adjustments to revenues for gross receipt taxes, other taxes and grants			(757,539)	
Adjustments to expenditures for salaries and operating expenses			<u>(71,465)</u>	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 6,953,736</u>	

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

**RIO ARRIBA COUNTY**

Exhibit C-2

Indigent Fund Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<i>Revenues</i>				
<i>Taxes:</i>				
Gross receipts	\$ 450,000	\$ 757,456	\$ 882,147	\$ 124,691
Gasoline, franchise and motor vehicle	-	238,974	285,064	46,090
<i>Total revenues</i>	<u>450,000</u>	<u>996,430</u>	<u>1,099,507</u>	<u>103,077</u>
<i>Expenditures</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,463,655	1,463,655	506,667	956,988
<i>Total expenditures</i>	<u>1,463,655</u>	<u>1,463,655</u>	<u>506,667</u>	<u>956,988</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,013,655)</u>	<u>(467,225)</u>	<u>592,840</u>	<u>1,060,065</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	1,013,655	467,225	-	(467,225)
<i>Total other financing sources (uses)</i>	<u>1,013,655</u>	<u>467,225</u>	<u>-</u>	<u>(467,225)</u>
<i>Net change in fund balance</i>	-	-	592,840	592,840
<i>Fund balance - beginning of year</i>	-	-	5,410,429	5,410,429
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,003,269</u>	<u>\$ 6,003,269</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 592,840	
Adjustments to revenues for gross receipts and oil and gas taxes			(19,770)	
Adjustments to expenditures for salaries and operating expenses			<u>(491)</u>	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 572,579</u>	

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

**RIO ARRIBA COUNTY**  
 Correctional Facility Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2023

Exhibit C-3

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<i>Revenues</i>				
Taxes:				
Gross receipts	\$ 450,000	\$ 719,385	\$ 836,805	\$ 117,420
Intergovernmental:				
State operating grants	-	458,455	473,006	14,551
<i>Total revenues</i>	<u>450,000</u>	<u>1,177,840</u>	<u>1,309,811</u>	<u>131,971</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	5,264,667	5,328,127	4,446,100	882,027
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
<i>Total expenditures</i>	<u>5,264,667</u>	<u>5,328,127</u>	<u>4,446,100</u>	<u>882,027</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,814,667)</u>	<u>(4,150,287)</u>	<u>(3,136,289)</u>	<u>1,013,998</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	502,907	(161,473)	-	161,473
Transfers in	4,311,760	4,311,760	4,311,760	-
<i>Total other financing sources (uses)</i>	<u>4,814,667</u>	<u>4,150,287</u>	<u>4,311,760</u>	<u>161,473</u>
<i>Net change in fund balance</i>	-	-	1,175,471	1,175,471
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,104,414</u>	<u>1,104,414</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,279,885</u>	<u>\$ 2,279,885</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 1,175,471	
Adjustments to revenues for gross receipts taxes			(59,509)	
Adjustments to expenditures for salaries and operating expenses			<u>(77,647)</u>	
<i>Net change in fund balance (GAAP)</i>			<u>\$ 1,038,315</u>	

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

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**RIO ARRIBA COUNTY HOUSING AUTHORITY**

A Component Unit of Rio Arriba County  
Statement of Net Position - Proprietary Funds  
June 30, 2023

	<b>Public Housing Low Rent Program</b>	<b>Section 8 Housing Choice Vouchers Program</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash	\$ 472,498	\$ 23,941	\$ 496,439
Investments	210,974	-	210,974
Accounts receivable - tenants, net	12,527	-	12,527
Accounts receivable - grants	151,557	-	151,557
Accounts receivable - other	796	-	796
Accrued interest receivable	544	-	544
Due from other funds	116	-	116
Prepaid expenses	14,377	-	14,377
<i>Total current assets</i>	<u>863,389</u>	<u>23,941</u>	<u>887,330</u>
Noncurrent assets			
Restricted cash	7,370	1,499	8,869
Accounts receivable - grants	215,899	-	215,899
Capital assets	5,965,281	-	5,965,281
Less: accumulated depreciation	<u>(5,669,632)</u>	<u>-</u>	<u>(5,669,632)</u>
<i>Total noncurrent assets</i>	<u>518,918</u>	<u>1,499</u>	<u>520,417</u>
<i>Total assets</i>	<u>1,382,307</u>	<u>25,440</u>	<u>1,407,747</u>
<b>Deferred outflows of resources</b>			
Deferred outflows - PERA	<u>18,806</u>	<u>-</u>	<u>18,806</u>
<i>Total deferred outflows of resources</i>	<u>18,806</u>	<u>-</u>	<u>18,806</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 1,401,113</u>	<u>\$ 25,440</u>	<u>\$ 1,426,553</u>

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

	<b>Low Rent Public Housing Program</b>	<b>Section 8 Housing Choice Vouchers Program</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 5,639	\$ 454	\$ 6,093
Accrued payroll	3,531	-	3,531
Unearned revenue	7,028	-	7,028
Compensated absences	6,753	-	6,753
Due to other funds	-	116	116
<i>Total current liabilities</i>	<u>22,951</u>	<u>570</u>	<u>23,521</u>
<i>Current liabilities (payable from restricted assets)</i>			
Tenant deposits	7,370	-	7,370
<i>Total current liabilities (payable from restricted assets)</i>	<u>7,370</u>	<u>-</u>	<u>7,370</u>
Noncurrent liabilities			
Compensated absences	2,106	-	2,106
Net pension liability - PERA	104,826	-	104,826
<i>Total noncurrent liabilities</i>	<u>106,932</u>	<u>-</u>	<u>106,932</u>
<i>Total liabilities</i>	<u>137,253</u>	<u>570</u>	<u>137,823</u>
<b>Deferred inflows of resources</b>			
Deferred inflows - PERA	12,061	-	12,061
<i>Total deferred inflows of resources</i>	<u>12,061</u>	<u>-</u>	<u>12,061</u>
<b>Net position</b>			
Net investment in capital assets	295,649	-	295,649
Restricted for section 8 program	-	1,499	1,499
Unrestricted	956,150	23,371	979,521
<i>Total net position</i>	<u>1,251,799</u>	<u>24,870</u>	<u>1,276,669</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 1,401,113</u>	<u>\$ 25,440</u>	<u>\$ 1,426,553</u>

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

**RIO ARRIBA COUNTY HOUSING AUTHORITY**

Exhibit D-2

A Component Unit of Rio Arriba County

Statement Of Revenue, Expenses, And Change In Net Position - Proprietary Funds

For The Year Ended June 30, 2023

	<b>Public Housing Low Rent Program</b>	<b>Section 8 Housing Choice Vouchers Program</b>	<b>Total</b>
<i>Operating revenues</i>			
Tenant rents	\$ 115,391	\$ -	\$ 115,391
Operating grants	255,696	65,341	321,037
Other tenant revenue	169	525	694
<i>Total operating revenues</i>	<u>371,256</u>	<u>65,866</u>	<u>437,122</u>
<i>Operating expenses</i>			
Personnel services	85,633	-	85,633
Contractual services	29,568	-	29,568
Management fees	69,445	6,917	76,362
Accounting fees	4,131	2,421	6,552
General and administrative:			
Supplies	23,898	1,167	25,065
Insurance	25,025	-	25,025
Bad debt	489	-	489
Maintenance and materials	48,283	-	48,283
Utilities	28,550	-	28,550
Depreciation	74,251	-	74,251
Housing assistance payments	-	56,864	56,864
<i>Total operating expenses</i>	<u>389,273</u>	<u>67,369</u>	<u>456,642</u>
<i>Operating income (loss)</i>	(18,017)	(1,503)	(19,520)
<i>Nonoperating revenues</i>			
Interest income	1,327	31	1,358
Management fee income	68,876	-	68,876
Miscellaneous income	891	-	891
<i>Total non-operating revenues</i>	<u>71,094</u>	<u>31</u>	<u>71,125</u>
<i>Net income before capital contributions</i>	53,077	(1,472)	51,605
<i>Capital contributions</i>			
Federal capital grants	30,120	-	30,120
<i>Total capital contributions</i>	<u>30,120</u>	<u>-</u>	<u>30,120</u>
<i>Change in net position</i>	83,197	(1,472)	81,725
<i>Net position - beginning of year</i>	<u>1,168,602</u>	<u>26,342</u>	<u>1,194,944</u>
<i>Net position - end of year</i>	<u>\$ 1,251,799</u>	<u>\$ 24,870</u>	<u>\$ 1,276,669</u>

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

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Statement of Cash Flows - Proprietary Funds  
For The Year Ended June 30, 2023

Exhibit D-3

	<b>Public Housing Low Rent Program</b>	<b>Section 8 Housing Choice Voucher Program</b>	<b>Total</b>
<i>Cash flows from operating activities:</i>			
Cash received from tenants	\$ 124,701	\$ 525	\$ 125,226
Cash received from operating grants	355,651	65,341	420,992
Cash payments to employees for services	(165,558)	(6,917)	(172,475)
Cash payments to suppliers for goods and services	(170,258)	(60,625)	(230,883)
<i>Net cash provided (used) by operating activities</i>	<u>144,536</u>	<u>(1,676)</u>	<u>142,860</u>
<i>Cash flows from noncapital financing activities:</i>			
Cash received from management fee income	68,876	-	68,876
Miscellaneous income	891	-	891
<i>Net cash provided by noncapital financing activities</i>	<u>69,767</u>	<u>-</u>	<u>69,767</u>
<i>Cash flows from capital and related financing activities</i>			
Cash received from capital grants	30,120	-	30,120
Acquisition of capital assets	(30,120)	-	(30,120)
<i>Net cash provided (used) by capital and related financing activities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash flows from investing activities:</i>			
Interest received on certificates of deposit	(148,815)	31	(148,784)
<i>Net cash provided (used) by investing activities</i>	<u>(148,815)</u>	<u>31</u>	<u>(148,784)</u>
Net increase/(decrease) in cash	65,488	(1,645)	63,843
Cash beginning of year	414,380	27,085	441,465
Cash end of year	<u>\$ 479,868</u>	<u>\$ 25,440</u>	<u>\$ 505,308</u>
<i>Reconciliation of operating loss to net cash provided (used) by operating activities:</i>			
Operating loss	\$ (18,017)	\$ (1,503)	\$ (19,520)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	74,251	-	74,251
Net pension income	(13,912)	-	(13,912)
Changes in assets and liabilities:			
Accounts receivable and due from others	105,216	-	105,216
Prepaid expenses	(1,995)	-	(1,995)
Accounts payable and due to others	(7,645)	(173)	(7,818)
Accrued liabilities	1,086	-	1,086
Unearned revenue	3,206	-	3,206
Compensated absences	2,346	-	2,346
<i>Net cash provided (used) by operating activities</i>	<u>\$ 144,536</u>	<u>\$ (1,676)</u>	<u>\$ 142,860</u>

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

**RIO ARRIBA COUNTY**  
Statement of Fiduciary Net Position  
June 30, 2023

Exhibit E-1

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash	\$ 752,223
Property tax receivable	4,096,845
Other receivables	316,633
<i>Total assets</i>	<b>\$ 5,165,701</b>
 <b>Liabilities</b>	
Accounts payable	\$ 537
Funds held in trust and due to others	5,165,164
<i>Total liabilities</i>	<b>\$ 5,165,701</b>

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

**RIO ARRIBA COUNTY**  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2023

Exhibit E-2

	<b>Custodial Funds</b>
<i>Additions:</i>	
Property and gross receipts taxes	\$ 14,463,461
Contributions and other collections from private sources	<u>55,528</u>
<i>Total additions</i>	<u>14,518,989</u>
 <i>Deductions:</i>	
Distributions to other governments	13,510,133
Gross receipts tax distributions and other expenses	<u>1,259,627</u>
<i>Total deductions</i>	<u>14,769,760</u>
Change in custodial funds due to others	(250,771)
Beginning - custodial funds due to others	<u>5,415,935</u>
Ending - custodial funds due to others	<u><u>\$ 5,165,164</u></u>

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

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 1. Summary of Significant Accounting Policies**

Rio Arriba County (the “County”) is a political sub-division of the State of New Mexico established and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commission-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection and general administrative services.

Rio Arriba County is a body politic and corporate under the name and form of government selected by its qualified electors. The County may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico.
6. Protect generally the property of its county and its inhabitants;
7. Preserve peace and order within the county; and
8. Establish rates for services provided by the County utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of Rio Arriba County is presented to assist in the understanding of Rio Arriba County’s financial statements. The financial statements and notes are the representation of Rio Arriba County’s management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Rio Arriba County was not required to present a disclosure in accordance with GASB Statement No. 77 for the year ended June 30, 2023.

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

**A. *Financial Reporting Entity***

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities are, in substance, part of the government’s operations.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

*A. Financial Reporting Entity (continued)*

Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the County has one component unit required to be reported under GASB Statements No. 14, No. 39, and No. 61.

*Blended Component Unit*

Rio Arriba County Housing Authority (the "Authority"): The Authority is a separate legal entity that can sue or be sued separately from the County. The component unit has the same three board members as the County and receives funding from the County to meet some of its expenditures. For these reasons, the Authority is considered a blended component unit included as the business-type activities in the basic financial statements. The Authority provides services to residents, generally within the geographic boundaries of the primary government.

Generally Accepted Accounting Principles requires the inclusion of this unit in the reporting entity. A separate audited financial statement was issued by the Authority and can be obtained by writing to the Rio Arriba County Housing Authority, PO Box 310, 737 La Joya Street, Española, NM 87532. The business-type activities have been presented in the government-wide financial statements, and there is a separately issued full set of financial statements and disclosures to the basic financial statements for the Authority.

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The County's net position is reported in three parts – Net investment in capital assets; restricted net position; and unrestricted net position.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

*Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government. Unavailable revenue is classified as a deferred inflow.

Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

*C. Measurement focus, basis of accounting, and financial statement presentation (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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

Under the requirements of GASB Statement No. 34, the County is required to present certain governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Indigent Special Revenue Fund* accounts for expenditures that assist needy individuals with hospital expenses. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 19787-20-3).

The *Correctional Facility Special Revenue Fund* accounts for expenditures of equipment, operating costs, and training for the County Detention Center. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20F-3)

The *County Funded Capital Projects Fund* accounts for capital acquisitions funded by bond proceeds, gross receipts taxes, cash transfers from the General Fund. (Authority: County Commission)

The *PPRF-5834 Series 2022 GO Bonds Capital Projects Fund* accounts for capital acquisitions funded by the 2022 GO Bond Proceeds. (Authority: County Commission)

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority, a blended component unit of the County, are rent and other tenant-related revenue. Operating expenses of the Authority consist of administrative costs, maintenance and repairs, housing assistance payments, bad debt expenses, and depreciation.

All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. A separate audited financial statement was issued by the Authority and can be obtained by writing to the Rio Arriba County Housing Authority, PO Box 310, 737 La Joya Street, Española, NM 87532.

The separate audit report contains a full set of financial statements and disclosures to the basic financial statements for the Authority.

Additionally, the government reports the following custodial funds:

Fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. The State Treasurer's Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2023, the County maintained a balance of \$5,790,005 in the Local Government Investment Pool.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

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

**Receivables and Payables:** Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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

In the government-wide and governmental fund financial statements, delinquent property taxes are recorded as revenue when levied, net of estimated refunds and uncollectable amounts.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

**Restricted Assets:** Restricted assets consist of those funds expendable for debt service purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

**Capital Assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Rio Arriba County was a phase II government for purpose of recording the historical cost (or estimate) of infrastructure assets retroactively to 1979. Those infrastructure costs are included in the capital assets. New infrastructure built since GASB Statement No. 34 was implemented in fiscal year 2003 has also been capitalized. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25-50
Land improvements	20-40
Infrastructure	25-50
Machinery and equipment	5-10

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

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

**Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2023, along with applicable PERA, Retiree Health Care, FICA and Medicare accruals.

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The has four types of items that qualify for reporting in this category related to the pension and OPEB plans which are discussed at Notes 9 and 10.

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The County has two types of deferred inflows which arises under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, unavailable revenue - property taxes and unavailable revenue – loan receivable, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County has recorded \$2,248,340 related to property taxes and \$336,205 for a loan that are considered “unavailable”. The County also has items related to the leases, and pension and OPEB plans which are discussed at Notes 9, 10, and 11.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (P.E.R.A) and additions to/deductions from P.E.R.A’s fiduciary net position have been determined on the same basis as they are reported by P.E.R.A, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**Compensated Absences:** Qualified employees may accumulate limited amounts of vacation pay which are payable to the employee upon termination or retirement. Full-time classified employees accrue annual leave at the rate of 6.1538 hours per pay period for a total of 20 days per year. Part-time classified employees working more than 20 hours but less than 40 hours a week will accrue annual leave on a pro-rated basis. Employees can carryover up to 30 days of annual leave from one fiscal year to another. Any leave in excess of 240 hours will be converted to sick leave.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

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

The employee or the employee's estate will be paid for each day of unused annual leave at the time of the employee's voluntary or involuntary termination, retirement, death, or total disability up to a maximum of 30 days plus the number of days accrued and unused during the current calendar year. Full-time classified employees are entitled to accumulate sick leave at a rate of 18 days per year, and it may be accrued from year to year until the employee's termination or retirement. Part-time classified employees working more than 20 hours but less than 40 hours a week will accrue sick leave on a pro-rated basis.

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

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. For bonds issued after GASB Statement No. 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. For fund financial reporting, bond premiums, discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources.

**Fund Balance Classification Policies and Procedures:** In the governmental fund financial statements, fund balance is reported in five classifications:

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; for example, inventories, prepaid amounts, long term amount of loans and note receivable or (b) legally or contractually required to be maintained intact; for example, debt service reserves. The County has no nonspendable fund balances at June 30, 2023.

**Restricted** – This classification includes amounts that are restricted to a specific purpose. Fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants) grantors, contributors, or laws or regulations of other governments; (b) enabling legislation, as the term is used authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The County has \$60,631,835 in restricted fund balances at June 30, 2023.

**Committed** – This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the Board of County Commissioners, the County's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specific use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit those amounts. The County has \$3,378,788 in committed fund balances at June 30, 2023.

**Assigned** – This classification includes amounts that are constrained by the County's *intent* to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The Board of County Commissioners has delegated the authority to assign amounts to be used for specific purposes to the County Manager and the Director of Finance.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

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

The County has \$1,088,925 in assigned fund balances at June 30, 2023.

**Unassigned** – This classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. The County has \$18,788,665 in unassigned fund balances at June 30, 2023.

**Minimum Fund Balance Policy:** The County’s policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures. At June 30, 2023, the County maintains \$3,378,788 as minimum fund balance.

When expenditures are incurred for purposes for which amounts in any of the spendable fund balance classifications could be used, it is the County’s policy to use committed amounts first, followed by assigned amounts and then unassigned amounts.

**Equity Classifications**

*Government –Wide Statements*

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

- a. Net investment in capital assets: Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The County maintained \$17,389,349 in unspent bond proceeds as of June 30, 2023.
- b. Restricted net position: Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, capital projects and debt service funds” are described on pages 37 and 106-112. For the primary government, the government-wide statement of net position reports \$44,425,027 of restricted amounts. The special revenue funds have \$27,399,111 which is restricted by enabling legislation, \$2,322,231 is restricted for debt service requirements, \$14,702,186 for capital projects and \$1,499 is restricted for Section 8 Housing.
- c. Unrestricted net position: All other net position amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the County are management’s estimate of estimated useful lives, net pension and OPEB liabilities and related deferred inflows and outflows of resources, allowance for doubtful accounts, and the current portion of accrued compensated absences.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

**Newly Adopted Accounting Pronouncements:** During the year ended June 30, 2023, the County adopted GASB Statements No.91, *Conduit Debt Obligations*, No. 93 *Replacement of Interbank Offered Rates*, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, No. 96 *Subscription-Based Information Technology Arrangements*, No. 98, *The Annual Comprehensive Financial Report*, No. 99 *Omnibus 2022*. The County's accounting policy for accounting for Right of Use Assets and related liabilities under GASB Statement No. 96 is to capitalize amounts more than \$25,000. Although the County did not perform an analysis of GASB Statement No. 96, these pronouncements have a significant impact on these financial statements.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the County Commissioners and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration.

Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund. These budgets are prepared on the Non-GAAP budgetary basis and secure appropriation of funds for only one year. The expenditures on the budgetary basis exclude encumbrances. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	<b>Excess (deficiency) of revenues over expenditures Operating income (loss)</b>	
	<b>Original Budget</b>	<b>Final Budget</b>
Budgeted Funds:		
General Fund	\$ 692,269	\$ 692,269
Indigent Fund	\$ (1,013,655)	\$ (467,225)
Correctional Facilities Fund	\$ (4,814,667)	\$ (4,150,287)

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

Since accounting principles applied for the purpose of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2023 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 3. Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The County is authorized under the provision of Section 6-10-10, NMSA 1978, as amended, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States of America. Local public finance officials may also place deposits with the State Treasurer's Local Government Investment Pool pursuant to Sections 6-10-10.1 and 6-10-36 NMSA 1978.

Pursuant to Section 6-10-36 NMSA 1978, deposits of funds may be made in: (1) non-interest bearing checking accounts within the geographical boundaries of the County, to the extent the deposits are insured by an agency of the United States, or (2) in interest bearing deposits in one or more banks or savings and loan associations, or credit unions within the geographical boundaries of the County, that have qualified as public depositories by reason of insurance of the account by an agency of the United States or by depositing collateral security or by giving bond as provided by law.

Section 6-10-17 of NMSA 1978, requires that 50% of the balance of all deposits not insured by the FDIC, in banks or savings and loan associations must be collateralized by securities specified in Section 6-10-16 NMSA 1978. According to the statute, securities that are obligations of the state of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be accepted as security at par value. All other securities allowed by the statute shall be accepted as security at market value.

All of the County's accounts at an insured depository institution, including non-interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to the standard maximum deposit insurance amount of \$250,000.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2023, \$49,987,060 of the County's bank balances totaling \$70,320,580 was exposed to custodial credit risk. All of this amount was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the County's name. As of June 30, 2023, none of the County's deposits are uninsured and uncollateralized.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

	<b>New Mexico Bank and Trust</b>	<b>Washington Federal</b>	<b>Moreton Capital</b>
Amount of deposits	\$ 50,173,127	\$ 313,933	\$ 9,979,889
FDIC Coverage	(250,000)	(250,000)	(9,979,889)
Total uninsured public funds	<u>49,923,127</u>	<u>63,933</u>	<u>-</u>
Collateralized by securities held by pledging institution or by its trust department or agent in other than the County's name	<u>49,923,127</u>	<u>63,933</u>	<u>-</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ 24,961,564	\$ 31,967	\$ -
Pledged Collateral	<u>51,827,360</u>	<u>67,797</u>	<u>-</u>
Over (Under) collateralized	<u>\$ 26,865,796</u>	<u>\$ 35,830</u>	<u>\$ -</u>

	<b>Mesirow Financial</b>	<b>Total</b>
Amount of deposits	\$ 9,853,631	\$ 70,320,580
FDIC Coverage	(9,853,631)	(20,333,520)
Total uninsured public funds	<u>-</u>	<u>49,987,060</u>
Collateralized by securities held by pledging institution or by its trust department or agent in other than the County's name	<u>-</u>	<u>49,987,060</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ -	\$ 24,993,531
Pledged Collateral	<u>-</u>	<u>51,895,157</u>
Over (Under) collateralized	<u>\$ -</u>	<u>\$ 26,901,626</u>

The collateral pledged is listed on Schedule II on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, County district or political subdivision of the State of New Mexico.

The investments are listed on Schedule I of this report. At year end June 30, 2023, there were \$313,933 of certificates of deposit, classified as investments at Exhibit B-1.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

Reconciliation to the Statement of Net Position:

Cash and cash equivalents per Exhibit A-1	\$	79,013,755
Investments per Exhibit A-1		6,103,938
Restricted cash and cash equivalents per Exhibit A-1		4,493,782
Cash - Statement of Fiduciary Net Position per Exhibit E-1		752,223
 Total cash, investments, and cash equivalents		 90,363,698
 Add: outstanding checks and other reconciling items		 2,377,525
Less: NMFA restricted accounts		(16,630,638)
Less: State of New Mexico LGIP		(5,790,005)
 Bank balance of deposits	 \$	 70,320,580

Restricted cash represents cash held at NMFA for debt service requirements and consist of U.S. Treasury Money Market Mutual Fund amounts. U. S Treasury Money Market Fund is rated Aaa by Standard and Poor's. There was no interest rate risk associated with the U.S Treasury Money Market Mutual Fund amounts at June 30, 2023. These accounts are classified as cash equivalents on the statement of net position due to their original weighted average maturity of less than 90 days.

**Investments**

Credit Risk

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

As of June 30, 2023, the County had the following investments and maturities:

Investment Type	Weighted Average Maturities	Fair Value	Rating*
LGIP	22 Days(R) 86 days(F)	\$ 5,790,005	AAAm
U.S. Treasury Notes	<1 year	16,630,638	Aaa
<b>Total</b>		<b>\$ 22,420,643</b>	

\*Rating based on Moody's rating

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

**Concentration of Credit Risk**

The County's investment policy places no limit on the amount the County may invest in any one issuer. The County's investments are in Certificates of Deposit with the County's local banks with the average maturity being one year.

*Interest Rate Risk – Investments.* The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

*Concentration of Credit Risk – Investments.* For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the County. Since the County only purchases investments with the highest credit rating, concentration of credit risk is not viewed to be an additional risk by the County. The County's policy related to concentration of credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Custodial Funds are all in multiple accounts.

**Fair Value Measurement**

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the County believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The County maintained a balance of \$5,790,005 in LGIP and \$16,630,638 in U.S Treasury Money Market Mutual Funds at year end which required fair value disclosure.

The following table sets forth by level within the fair value hierarchy, the County's assets at fair value as of June 30, 2023:

<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
\$ 22,420,643	\$ 16,630,638	\$ 5,790,005	\$ -

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 4. Receivables**

Receivables as of June 30, 2023 for the primary government are as follows:

	<u>General</u>	<u>Indigent Fund</u>	<u>Correctional Facility</u>	<u>Capital Projects</u>
Property taxes	\$ 2,389,697	\$ -	\$ -	\$ -
Taxes receivable:				
Gross receipts taxes	732,480	151,337	141,926	37,783
Oil and gas taxes	335,980	6,894	-	-
MVD taxes	78,934	-	-	-
Total taxes receivable	<u>1,147,394</u>	<u>158,231</u>	<u>141,926</u>	<u>37,783</u>
Due from other governments:				
State grants and other charges	192,703	-	1,120	17,490
Federal grants	-	-	-	-
NCSWA Loan	-	-	-	-
Total due from other governments	<u>192,703</u>	<u>-</u>	<u>1,120</u>	<u>17,490</u>
Accounts receivable, net	<u>\$ 3,729,794</u>	<u>\$ 158,231</u>	<u>\$ 143,046</u>	<u>\$ 55,273</u>

	<u>PPRF-5834 Series 2022 GO Bonds</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ -	\$ -	\$ 2,389,697
Taxes receivable:			
Gross receipts taxes	-	503,033	1,566,559
Oil and gas taxes	-	166,686	509,560
MVD taxes	-	52,781	131,715
Total taxes receivable	<u>-</u>	<u>722,500</u>	<u>2,207,834</u>
Due from other governments:			
State grants and other charges	-	1,574,505	1,785,818
Federal grants	-	322,659	322,659
NCSWA Loan	-	336,205	336,205
Total due from other governments	<u>-</u>	<u>2,233,369</u>	<u>2,444,682</u>
Accounts receivable, net	<u>\$ -</u>	<u>\$ 2,955,869</u>	<u>\$ 7,042,213</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$2,248,340 that were not collected within the period of availability have been reclassified as deferred inflow in the governmental fund financial statements.

The loan receivable of \$336,205 is between Rio Arriba County and the North Central Solid Waste Authority pursuant to a Joint Powers Agreement under New Mexico law. The loan was executed in June 2011 and the purpose was to assist the North Central Solid Waste Authority with the repayments of its debts. The terms of the loan require the North Central Solid Waste Authority to pay back Rio Arriba County \$53,000 each year and matures in 2030. During fiscal year 2023, \$57,417 was paid back to the County. The loans bears no interest and any imputed interest is deemed inconsequential to the financial statements. In accordance with GASB Statement No. 33, the amount of \$336,205 has been reclassified as deferred inflow in the governmental fund financial statements.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 5. Interfund Transfers and Due To Due From**

Transfers are made to various funds to supplement the costs of risk management insurance and to enable funds to operate until reimbursement is received. Interfund transfers are composed of the following for the year ended June 30, 2023:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Correctional Facility	\$ 4,311,760
General Fund	County Funded Capital Projects	3,400,000
General Fund	Farm & Range Improvement	36,100
General Fund	Senior Citizen	610,938
General Fund	Sheriffs Grants and DWI Programs	20,000
General Fund	County Road	600,000
General Fund	Debt Service Reserve Accounts	150,085
Other nonmajor governmental funds	General Fund	878,313
Legislative Appropriations	General Fund	1,182,339
2020 GO Bonds Fund	General Fund	164,806
Senior Appropriations Capital Projects	General Fund	11,679
County Funded Capital Projects	CDBG	58,360
County Funded Capital Projects	Debt Service Reserve Accounts	187,332
Fire Department Funds	Debt Service Reserve Accounts	63,497
Other nonmajor governmental funds	Other nonmajor governmental funds	<u>153,643</u>
	Total	<u><u>\$11,828,852</u></u>

The County records temporary interfund receivable and payables to enable the funds to operate until grant monies are received. The composition of interfund balances as of June 30, 2023 is as follows:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	PPRF-5834 Series GO Bonds	\$ 14,221
General Fund	DWI Program	171,294
General Fund	Economic Development	3,750
General Fund	Sheriff's Grants	16,326
General Fund	Health and Social Services	9,276
General Fund	DWI NMYCC Program	83,337
General Fund	Behavior Health	257,064
General Fund	Senior Appropriations Capital Projects	333,263
General Fund	Legislative Appropriations	<u>530,687</u>
	Total	<u><u>\$ 1,419,218</u></u>

All Interfund balances are expected to be paid within one year.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2023. Land, construction in progress, works of art, book collections, and water rights are not being depreciated.

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions and Adjustments</u>	<u>Balance June 30, 2023</u>
Capital assets not being depreciated:				
Land	\$ 14,912,044	\$ -	\$ (9,999)	\$ 14,902,045
Construction in progress	1,422,057	-	-	1,422,057
Works of art	180,000	-	-	180,000
Book collections	10,000	-	-	10,000
Water Rights	290,674	-	-	290,674
Total not being depreciated	<u>16,814,775</u>	<u>-</u>	<u>(9,999)</u>	<u>16,804,776</u>
Capital assets being depreciated:				
Buildings and improvements	82,693,114	288,148	(115,695)	82,865,567
Land improvements	7,821,987	380,168	(7,640)	8,194,515
Infrastructure	18,273,469	1,703,218	-	19,976,687
Machinery and equipment	35,288,715	3,167,921	(397,350)	38,059,286
Total being depreciated	<u>144,077,285</u>	<u>5,539,455</u>	<u>(520,685)</u>	<u>149,096,055</u>
Total capital assets	<u>160,892,060</u>	<u>5,539,455</u>	<u>(530,684)</u>	<u>165,900,831</u>
Accumulated depreciation:				
Buildings and improvements	35,763,537	1,763,375	(85,764)	37,441,148
Land improvements	3,610,395	335,532	(3,820)	3,942,107
Infrastructure	11,646,714	491,913	-	12,138,627
Machinery and equipment	25,489,851	2,216,349	(387,737)	27,318,463
Total accumulated depreciation	<u>76,510,497</u>	<u>4,807,169</u>	<u>(477,321)</u>	<u>80,840,345</u>
Capital assets, net	<u>\$ 84,381,563</u>	<u>\$ 732,286</u>	<u>\$ (53,363)</u>	<u>\$ 85,060,486</u>

Depreciation expense for the year ended June 30, 2023 was charged to the following functions for governmental activities:

Governmental activities:	
General government	\$ 1,024,147
Public Safety	1,465,061
Culture and Recreation	685,455
Public Works	961,258
Health and Welfare	671,248
	<u>\$ 4,807,169</u>

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 7. Long-term Debt**

During the year ended June 30, 2023, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2023</b>	<b>Due Within One Year</b>
Bonds	\$ 13,758,899	\$ 14,900,000	\$ 2,284,142	\$ 26,374,757	\$ 1,160,150
NMFA Loans	7,527,430	-	266,897	7,260,533	279,797
NMED Loans	949,586	-	23,417	926,169	23,886
Compensated Absences	649,220	470,005	592,392	526,833	-
<b>Total</b>	<b>\$ 22,885,135</b>	<b>\$ 15,370,005</b>	<b>\$ 3,166,848</b>	<b>\$ 35,088,292</b>	<b>\$ 1,463,833</b>

**Gross Receipts Revenue Bonds**

On July 31, 2013 the County issued Gross Receipts Tax Improvement Revenue Bonds Series 2013 for purpose of acquiring, constructing, equipping and improving solid waste facilities and equipment in the County. The County pledged GRT revenues to pay for the loan. The bonds have an interest rate of 3.190% throughout the life of the bonds which are payable through July 1, 2033.

In December 2021, the County issued Gross Receipts Tax Improvement Refunding Bonds Series 2021 for purpose of a current refunding and paying off the principal of the Gross Receipts Tax Improvement Revenue Bonds Series 2013. These were successfully paid off and the difference between the reacquisition price and the net carrying amount of the old debt is deemed to be immaterial for the current refunding for fiscal year ended June 30, 2023. The bonds have an interest rate of 2.35% throughout the life of the bonds which are payable through July 1, 2033.

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2024	\$ 260,150	\$ 70,385	\$ 330,535
2025	266,299	64,235	330,534
2026	272,594	57,940	330,534
2027	279,038	51,497	330,535
2028	285,634	44,901	330,535
2029-2033	1,532,694	119,978	1,652,672
2034-2038	163,349	1,919	165,268
<b>Total</b>	<b>\$ 3,059,757</b>	<b>\$ 410,855</b>	<b>\$ 3,470,613</b>

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

**General Obligation Bonds**

On February 19, 2020, the County issued General Obligation Bonds totaling \$6,000,000. General Obligation Bonds, Series 2020A are tax-exempt totaling \$5,490,000 and General Obligation Bonds, Series 2020B are taxable totaling \$510,000. Both bonds were sold at par value and ad valorem taxes have been pledged to satisfy the debt service over the life of the bonds. The interest rates on the bonds range from 0.00% to 2.83% and the County incurred underwriting discounts and issuance costs of \$107,685.

The bonds achieved a true interest cost interest rate of 2.41% and 2.34%, respectively. The purpose of the Bonds is to fund certain projects including roads and other infrastructure improvements throughout the County.

On July 15, 2022, the County issued General Obligation Bonds totaling \$14,900,000. General Obligation Bonds, Series 2022A are tax-exempt totaling \$3,410,000 and General Obligation Bonds, Series 2020B are taxable totaling \$11,490,000. Both bonds were sold at par value and ad valorem taxes have been pledged to satisfy the debt service over the life of the bonds. The interest rates on the bonds range from 1.81% to 5.22% and the County incurred underwriting discounts and issuance costs of \$302,192.

The bonds achieved a true interest cost interest rate of 5.095% and 3.741%, respectively. The purpose of the Bonds is to fund certain projects including roads, skilled nursing facility and rehab hospital, payoff of 2020 Bond Anticipation Note, and an athletic facility, as well as other infrastructure improvements throughout the County.

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2024	\$ 900,000	\$ 801,572	\$ 1,701,572
2025	925,000	783,812	1,708,812
2026	955,000	763,889	1,718,889
2027	980,000	741,771	1,721,771
2028	1,015,000	717,523	1,732,523
2029-2033	5,625,000	3,130,911	8,755,911
2034-2038	6,361,300	2,097,457	8,458,757
2039-2043	6,553,700	711,392	7,265,092
Total	<u>\$ 23,315,000</u>	<u>\$ 9,748,327</u>	<u>\$ 33,063,327</u>

**Bond Anticipation Notes**

On August 3, 2020, the County issued Series 2020 Taxable Bond Anticipation Notes totaling \$1,620,000. This is a taxable debt instrument and the Note is issued to provide funds for the purposes of (1) the planning, designing, constructing and equipping a skilled nursing and rehabilitation hospital within the County, (the "Project") (2) paying capitalized interest on the Note, and (3) paying Expenses (as defined in the Note Ordinance) related and allocable to the Project. The interest rate on the note is 2.00% and the County incurred underwriting discounts of \$16,200.

This note was paid off with issuance of the Series 2022A GO Bond disclosed above.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

**NMFA Loans**

On September 3, 2010 the County entered into a loan agreement with the NMFA and the proceeds went directly to the North Central Solid Waste Authority as a grant from the County. The original amount of the issue was for \$143,238. The county pledged its GRT revenues to pay for this loan by way of intercept payments. The interest rates range from 1.12% and 2.85% through the life of the loan and matures May of 2020.

On May 17, 2013 the County entered into a loan agreement with NMFA in the amount of \$3,573,105 for purposes of planning, constructing and equipping an archive facility to be located in Tierra Amarilla. The County pledged its GRT revenues to pay for this loan by way of intercept payments. The loan has a blended interest rate of 3.210% throughout the life of the loan and matures in May of 2042.

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

On October 4, 2019 the County entered into loan agreements with NMFA in the amount of \$250,756 for purposes of financing the costs of purchasing fire apparatuses and related equipment for the Agua Sana and Abiquiu Fire Departments. The County pledged its distribution of State Fire Protection Fund pursuant to Section 59A-53-7, NMSA 1978 and has a debt service coverage ratio of 125%. The blended interest rate is 0.100003% over the life of the loan and no collateralized assets have been pledged as part of this agreement.

On August 14, 2020 the County entered into two loan agreements with NMFA in the amount of \$271,503 for purposes of financing the costs of purchasing fire apparatuses and related equipment for the Ojo Sarco and Dixon Fire Departments. The County pledged its distribution of State Fire Protection Fund pursuant to Section 59A-53-7, NMSA 1978 and has a debt service coverage ratio of 125%. The blended interest rate is 0.0% over the life of the loan and no collateralized assets have been pledged as part of this agreement.

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2024	\$ 279,797	\$ 196,064	\$ 475,861
2025	293,708	190,943	484,651
2026	308,580	185,257	493,837
2027	324,414	179,022	503,436
2028	341,282	172,186	513,468
2029-2033	1,832,913	729,389	2,562,302
2034-2038	2,335,905	409,051	2,744,956
2039-2043	1,543,934	37,981	1,581,915
<b>Total</b>	<b>\$ 7,260,533</b>	<b>\$ 2,099,893</b>	<b>\$ 9,360,426</b>

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

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

**NMED Loans**

During 2016 the County entered into a grant and loan agreement with the New Mexico Environment Department. The loan portion totals an amount up to \$950,000 at the interest rate of 2% annually during the construction. The purpose of the funds is to finance the costs of the wastewater and infrastructure improvements. The County pledged 0.125% of its GRT revenues to satisfy the debt service of this loan. Upon completion, 30 annual installments in the amount of \$42,417.43 are due and the first annual installment shall be due within one year after completion of the project.

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2024	\$ 23,886	\$ 18,532	\$ 42,418
2025	24,363	18,054	42,417
2026	24,851	17,567	42,418
2027	25,348	17,070	42,418
2028	25,855	16,563	42,418
2029-2033	137,240	74,847	212,087
2034-2038	151,525	60,563	212,088
2039-2043	167,295	44,792	212,087
2044-2048	184,707	27,381	212,088
2049-5052	161,099	8,539	169,638
<b>Total</b>	<b>\$ 926,169</b>	<b>\$ 303,908</b>	<b>\$ 1,230,077</b>

Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year June 30, 2023, compensated absences decreased by \$122,387. Compensated absences are paid by the fund that they are accrued in, which is typically the General Fund.

**NOTE 8. Risk Management**

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

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

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 9. Pension Plan – Public Employee Retirement Association of NM**

*General Information about the Pension Plan*

*Public Employees Retirement Fund* is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded. PERA issues a publicly available annual comprehensive financial report that can be obtained at <https://www.nmpera.org/financial-overview/>.

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

**TIER II**

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

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

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 9. Pension Plan – Public Employee Retirement Association of NM (continued)**

<b>PERA Contribution Rates and Pension Factors in effect during FY22</b>						
<b>Coverage Plan</b>	<b>Employee Contribution Percentage</b>		<b>Employer Contribution Percentage</b>	<b>Pension Factor per year of Service</b>		<b>Pension Maximum as a Percentage of the Final Average Salary</b>
	<b>Annual Salary less than \$20,000</b>	<b>Annual Salary greater than \$20,000</b>		<b>TIER 1</b>	<b>TIER 2</b>	
<b>STATE PLAN</b>						
State Plan 3	7.42%	9.92%	18.24%	3.00%	2.50%	90.00%
<b>MUNICIPAL PLANS 1 – 4</b>						
Municipal Plan 1 (plan open to new employers)	7.00%	8.50%	7.65%	2.00%	2.00%	90.00%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.80%	2.50%	2.00%	90.00%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.80%	3.00%	2.50%	90.00%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.30%	3.00%	2.50%	90.00%
<b>MUNICIPAL POLICE PLANS 1 – 5</b>						
Municipal Police Plan 1	7.00%	8.50%	10.65%	2.00%	2.00%	90.00%
Municipal Police Plan 2	7.00%	8.50%	15.65%	2.50%	2.00%	90.00%
Municipal Police Plan 3	7.00%	8.50%	19.15%	2.50%	2.00%	90.00%
Municipal Police Plan 4	12.35%	13.85%	19.15%	3.00%	2.50%	90.00%
Municipal Police Plan 5	16.30%	17.80%	19.15%	3.50%	3.00%	90.00%
<b>MUNICIPAL FIRE PLANS 1 – 5</b>						
Municipal Fire Plan 1	8.00%	11.00%	11.65%	2.00%	2.00%	90.00%
Municipal Fire Plan 2	8.00%	11.00%	18.15%	2.50%	2.00%	90.00%
Municipal Fire Plan 3	8.00%	11.00%	21.90%	2.50%	2.00%	90.00%
Municipal Fire Plan 4	12.80%	15.80%	21.90%	3.00%	2.50%	90.00%
Municipal Fire Plan 5	16.20%	19.20%	21.90%	3.50%	3.00%	90.00%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.00%	3.00%	90.00%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.50%	3.00%	3.00%	90.00%
State Plan 3 - Peace Officer	7.42%	9.92%	18.24%	3.00%	3.00%	90.00%
Juvenile Correctional Officer Plan 2	4.78%	7.28%	27.37%	3.00%	3.00%	90.00%

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 9. Pension Plan – Public Employee Retirement Association of NM (continued)**

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

**PERA Fund Division Municipal General:** At June 30, 2023, the County reported a liability of \$19,274,002 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2022 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2021. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2022. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the County’s proportion was 1.0867%, which was an decrease of 0.0796% from its proportion measured as of June 30, 2021.

There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$1,346,277. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ -	\$ -
Changes in proportion	323,629	896,626
Difference between expected and actual experience	77,265	468,736
Net difference between projected and actual earnings on pension plan investments	1,907,465	-
County's contributions subsequent to the measurement date	1,014,733	-
Total	\$ 3,323,092	\$ 1,365,362

\$1,014,733 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 9. Pension Plan – Public Employee Retirement Association of NM (continued)**

**Year ended June 30:**

2024	\$ 293,020
2025	(4,959)
2026	(851,143)
2027	1,506,079
Thereafter	-
<b>Total</b>	<b><u>\$ 942,997</u></b>

**PERA Fund Division Municipal Police:** At June 30, 2023, the County reported a liability of \$3,540,647 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2022 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2021. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2022. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the County’s proportion was 0.4406%, which was an increase of 0.0025% from its proportion measured as of June 30, 2021.

There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$237,333. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	\$ -
Changes in proportion	134,433	12,681
Difference between expected and actual experience	92,228	-
Net difference between projected and actual earnings on pension plan investments	309,374	-
County's contributions subsequent to the measurement date	<u>227,406</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 763,441</u></b>	<b><u>\$ 12,681</u></b>

\$227,406 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 9. Pension Plan – Public Employee Retirement Association of NM (continued)**

**Year ended June 30:**

2024	\$ 214,436
2025	147,692
2026	(84,829)
2027	246,055
Thereafter	-
<b>Total</b>	<b><u>\$ 523,354</u></b>

*Actuarial assumptions.* The total pension liability in the June 30, 2021 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

<b>PERA FUND</b>	
<b>Actuarial Valuation Date</b>	June 30, 2021
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Level Percentage of Payroll for all divisions except for the Legislative division which is Level Dollar
<b>Amortization Period</b>	25 years
<b>Actuarial Assumptions:</b>	
Investment Rate of Return	7.25% annual rate
Projected Salary increases	3.25% to 13.50% annual rate
Includes Inflation at	2.50%
Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For non- public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2022. These assumptions were adopted by the Board use in the June 30, 2021 actuarial valuation.

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

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 9. Pension Plan – Public Employee Retirement Association of NM (continued)**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	35.5%	6.35%
Risk Reduction & Mitigation	19.50%	1.90%
Credit Oriented Fixed Income	15.00%	4.45%
Real Assets to include Real Estate Equity	20.00%	5.10%
Multi-Risk Allocation	<u>10.00%</u>	6.65%
Total	100.00%	

*Discount rate.* A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2022. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

*Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's proportionate share of the net pension liability	\$ 29,165,696	\$ 19,274,002	\$ 11,056,620
 <b>PERA Fund Municipal Police Division</b>			
	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's proportionate share of the net pension liability	\$ 5,312,040	\$ 3,540,647	\$ 2,091,313

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in separately issued PERA’S financial reports and also the State of New Mexico Comprehensive Annual Financial Report.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan**

**Payables to the pension plan.** At June 30, 2023, the County reported no payables to the plan.

***General Information about the OPEB***

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

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

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

***Employees covered by benefit terms*** – At June 30, 2022, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefit	11,759
Current active members	<u>92,520</u>
	<u>157,371</u>
Active membership	
State general	18,691
State police and corrections	1,919
Municipal general	20,357
Municipal police	1,573
Municipal Fire	756
Educational Retirement Board	<u>49,224</u>
	<u>92,520</u>

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

**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 \$277,846 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported a liability of \$4,352,265 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. The County’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2022. At June 30, 2022, the County’s proportion was 0.18828 percent.

For the year ended June 30, 2023, the County recognized OPEB income of \$1,269,173. At June 30, 2023 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 72,391	\$ 645,098
Net difference between projected and actual investment earnings on OPEB plan investments	60,014	-
Change of assumptions	928,670	3,226,285
Change in proportion	226,603	1,020,099
County’s contributions subsequent to the measurement date	179,492	-
Total	\$ 1,467,170	\$ 4,891,482

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

Deferred outflows of resources totaling \$179,492 represent County contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:

2023	\$ (1,196,224)
2024	(824,424)
2025	(494,718)
2026	(647,936)
2027	<u>(440,502)</u>
	<u>\$ (3,603,804)</u>

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022, using the following actuarial assumptions:

Validation date	June 30, 2021
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.30% for ERB; 2.50% for PERA members
Projected payroll increases	3.25% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

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

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

Asset Class	Long-Term Rate of Return
U.S. core fixed income	0.4%
U.S. equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S. - developed equities	7.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S. equity - small/mid cap	6.6%

**Discount Rate.** The discount rate used to measure the Fund's total OPEB liability is 5.42% as of June 30, 2022. 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, 2059. The 7.00% discount rate, which includes the assumed inflation rate of 2.30% for ERB members and 2.50% for PERA members, was used to calculate the net OPEB liability through 2052. Beyond 2059, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54%) was applied. Thus, 5.42% is the blended discount rate.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

***Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.*** The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.42percent) or 1-percentage-point higher (6.42 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(4.42%)</b>	<b>Rate</b>	<b>(6.42%)</b>
	<b>(5.42%)</b>	<b>(5.42%)</b>	<b>(6.42%)</b>
County's proportionate share of the net OPEB liability	\$ 5,416,127	\$ 4,352,265	\$ 3,504,050

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

	<b>Trend Rate Sensitivity Analysis</b>		
	<b>1% Decrease</b>	<b>Rate</b>	<b>1% Increase</b>
County's proportionate share of the net OPEB liability	\$ 3,487,298	\$ 4,352,265	\$ 5,089,444

***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, 2022.

**Payable to the OPEB Plan.** At June 30, 2023, the County reported no payables for outstanding contributions due to NMRHCA for the year ended June 30, 2023.

**NOTE 11. Leases**

**As Lessee**

During the year 2022 the County implemented GASB Statement No. 87, Leases and the County has long term agreements for the use of equipment which began on July 1, 2021 and will continue through fiscal year 2026. These leases are paid monthly with payments ranging from \$156 to \$3,816 and started on July 1, 2021. The equipment has useful lives that range from 5 to 10 years with no purchase option and a discount rate of 3%. The County has not updated the information pertaining to GASB Statement No. 87 from the prior year.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 11. Leases (continued)**

A summary of the right to use the assets and changes occurring during the year ended June 30, 2023 follows:

	Balance <u>June 30, 2022</u>	Additions	Dispositions	Balance <u>June 30, 2023</u>
Right of Use Asset				
Equipment	\$ 127,677	\$ -	\$ -	\$ 127,677
Total right of use asset	<u>127,677</u>	<u>-</u>	<u>-</u>	<u>127,677</u>
Less accumulated amortization for:				
Equipment	53,719	-	-	53,719
Total accumulated amortization	<u>53,719</u>	<u>-</u>	<u>-</u>	<u>53,719</u>
Right of use asset, net	<u>\$ 73,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,958</u>

During the year ended June 30, 2023, the following changes occurred in the lease liability related to the right of use assets reported above in the government-wide statement of net position:

	Balance <u>June 30, 2022</u>	Additions	Retirements	Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
Lease liability	\$ 75,055	\$ -	\$ -	\$ 75,055	\$ -
	<u>\$ 75,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,055</u>	<u>\$ -</u>

The annual requirements to amortize the lease as of June 30, 2023, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2023	\$ 54,364	\$ 1,369	\$ 55,733
2024	14,128	292	14,420
2025	6,407	93	6,500
2026	156	-	156
	<u>\$ 75,055</u>	<u>\$ 1,754</u>	<u>\$ 76,809</u>

**As Lessor**

The County leases, as lessor, building spaces and telecommunications equipment to various entities in Rio Arriba County. This is a proprietary relationship as the County has partnership arrangements with these entities enabling the County to support funds critical to the County's operations as well as to the County. The County has entered into long-term leases as lessor which were in effect at July 1, 2021 when it implemented GASB Statement No. 87, and including lessee options to renew, run through as long as 2027. Payments are due monthly, in amounts of a total from \$1,100 to \$17,000 per month.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 11. Leases (continued)**

In some cases the lessee has an option to renew, and it is assumed that the option will be exercised. No purchase options exist. For purposes determining lease asset and deferred inflows of resources under GASB Statement No. 87, the County has discounted at a rate of 3%. A lease receivable, totaling \$925,527, and corresponding deferred inflow of resources due to leases are recognized.

**NOTE 12. Contingent Liabilities and Commitments**

The County is party to various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial position of the County, with exception of the item discussed in the next paragraph. The County is insured through the New Mexico County Insurance Authority.

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

As of June 30, 2023, the County had commitments that consisted of construction projects related to the following:

<u>Contract</u>	<u>Year Ending</u>	<u>Amount</u>
Road Improvements	6/30/2024	\$ 7,700,592
Build Recreation Center	6/30/2024	5,849,562
Build Nursing Home	6/30/2024	7,446,661
Reroofing - Darren's Place, El Mirado, Hoy	6/30/2024	<u>641,967</u>
		<u>\$ 21,638,782</u>

**NOTE 13. Subsequent Events**

The date to which events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosures is June 28, 2024, which is the date on which the financial statements were issued. There were no events to disclosure as of the date of issuance of these financial statements.

**RIO ARRIBA COUNTY**  
Notes to Financial Statements  
June 30, 2023

**NOTE 14. Other Required Fund Disclosures**

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

- A. Deficit fund balance of individual funds: The County reported three funds, Law Enforcement Protection, DWI NMYCC Program, and Senior Appropriations Capital Projects, totaling \$13,704 that maintained a deficit fund balance at June 30, 2023.
- B. Excess of expenditures over appropriations: The County exceeded budget authority in the following funds for the amounts listed:

<b>Fund</b>	<b>Budgeted Amount Exceeded</b>
HHS BHSD LEAD	\$ 9,276
HHS SGF JIS	980
Debt Service Reserve	308,253
	\$ 318,509

- C. There were no funds with designated cash appropriations in excess of available balances at June 30, 2023.

**NOTE 15. Subsequent Pronouncements**

In June 2023, GASB Statement No. 100 Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2023. The County does not expect this pronouncement to have a material effect on the financial statements.

In June 2023, GASB Statement No. 101 Compensated Absences, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after December 15, 2023. The County does not expect this pronouncement to have a material effect on the financial statements.

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## **Notes to Financial Statements of Component Unit**

## RIO ARRIBA COUNTY HOUSING AUTHORITY

A Component Unit of Rio Arriba County

Notes to Financial Statements

June 30, 2023

### NOTE 1. Summary of Significant Accounting Policies

The Rio Arriba County Housing Authority (the "Authority") was established in 1978. The Authority's office is located in Espanola, New Mexico. However, the housing units are located in Tierra Amarilla and Ojo Caliente, New Mexico. The governing body of the Authority consists of the three members of the Rio Arriba County board of commissioners. The Authority manages two low rent public housing developments containing 53 total units and administers Housing and Urban Development's (HUD) Section 8 Housing Choice Voucher housing assistance program. Also, the Authority manages 50-unit apartments for the Truth or Consequences Housing Authority.

The primary goal of the Low Rent Public Housing Program is the provision of a decent home in a suitable living environment for families that cannot afford standard private housing. Under this program, decent, safe and sanitary housing is made available to families having incomes lower than those serviced by Public Housing Agencies (PHA) which are organized and authorized in accordance with State Law to engage or assist in the development of operation of a Low Rent Public Housing Program. The PHA is a local housing authority (LHA) governed by an appointed board of commissioners who employ an administrative staff headed by an executive director.

This summary of significant accounting policies of the Authority is presented to assist in the understanding of the Authority's financial statements. The financial statements and notes are the representation of the Authority's management, who is responsible for their integrity and objectivity. The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. At year end June 30, 2023, the Authority was not required to make a GASB 77 disclosure.

The Authority reports the following major enterprise funds:

- **Low Rent Public Housing Program** - Funded through direct grants from HUD, the program is designed to provide adequate living accommodations to qualified families through reduced rate rentals built and owned by the Authority.
- **Section 8 Housing Choice Voucher Program** - These programs, funded through direct grants from HUD, provide rental assistance to qualified recipients through rent subsidies paid directly to third party property owners.

#### A. *Financial Reporting Entity*

In evaluating how to define the Housing Authority for financial reporting purposes, management has considered all potential programs and operations of the Housing Authority. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, and GASB Statement No. 61.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing board by the Housing Authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion is the scope of public service. Application of this criterion involves considering whether the activity benefits the Housing Authority and/or its residents and participants, or whether the activity is conducted within the geographic boundaries of the Housing Authority and is generally available to its residents and participants.

**RIO ARRIBA COUNTY HOUSING AUTHORITY**

A Component Unit of Rio Arriba County

Notes to Financial Statements

June 30, 2023

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

*A. Financial Reporting Entity (continued)*

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Authority is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Authority has no component units; however, the Authority is a component unit of Rio Arriba County as the County has operational responsibility over the Authority and is governed by the same governing authority.

Rio Arriba County issues separately audited financial statements. Additional information regarding Rio Arriba County may be obtained directly from their administrative office as follows: Rio Arriba County Finance Department, Rio Arriba County 149 State Rd. 162, Tierra Amarilla, New Mexico 87575.

*B. Basis of Accounting and Measurement Focus*

The Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth or adopted by the Governmental Accounting Standards Board ("GASB") and the Financial Accounting Standards Board ("FASB"), and their predecessors, the National Council on Governmental Accounting ("NCGA") and the Accounting Principles Board ("APB"), respectively. Generally accepted accounting principles for local governments include those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The Authority's proprietary (enterprise) funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and all liabilities associated with the operations are included on the balance sheet. Net Position (i.e., total assets net of total liabilities) is segregated into invested in capital assets, net of related debt; restricted; and unrestricted components.

All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for rent and services and operating grants. Operating expenses for enterprise funds include personnel services, contractual services, other administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. There are no fiduciary funds included in the Authority's financial statements.

The Housing Authority's cash flow statement includes changes in both operating cash and restricted cash and cash equivalents.

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

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

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

**Revenue Recognition:** Dwelling rental revenues are recorded as rentals become due. Rental payments received in advance are deferred until earned. Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Authority has entered into contracts with HUD to develop, manage and own public housing projects and to administer the federal Section 8 Housing Choice Vouchers Program, whereby monthly housing assistance payments are made to landlords on behalf of eligible lower income individuals and families. HUD makes monthly operating subsidy contributions within the public housing program and monthly contributions for housing assistance payments and administration fees for the Section 8 Housing Choice Vouchers Program. Such contributions are reflected as operating grants revenue. Contributions received from HUD for capital additions and improvements are reported as capital grants revenue.

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

**Cash and Investments:** The Authority is authorized under the provisions of 6-10-10 NMSA 1978, as amended, to deposit its money in banks, savings and loan association and/or credit unions whose accounts are insured by an Agency of the United States. The Authority's cash is considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**Restricted Cash:** Certain resources set aside in escrow for security deposits of \$7,370, held as insurance against the non-payment for services rendered, are classified on the Statement of Net Position as restricted because their use is limited. In addition, resources are also set aside for Housing Assistance Payments (HAP) of \$1,499, as the use of those funds is restricted by enabling legislation.

Before any local funds are invested or reinvested for the purpose of short-term investment pursuant to Section 6-10-10.1 NMSA 1978, as amended, the local public body finance official shall notify and make such funds available to banks, savings and loan associations and credit unions located within the geographical boundaries of their respective governmental unit, subject to the limitation on credit union accounts. To be eligible for such funds, the financial institution shall pay to the local public body the rate established by the state treasurer pursuant to a policy adopted by the State Board of Finance for such short-term investments.

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. Currently, state statutes require that a minimum of fifty percent (50%) of balances on deposit with any one institution must be collateralized, with higher requirements up to one hundred percent (100%) for financially troubled institutions.

However, any portion of PHA/IHA funds not insured by a Federal insurance organization shall be fully 100% and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD. All securities pledged are reported at market value.

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

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

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

**Accounts Receivable and Accounts Payable:** All receivables, including tenant receivables, are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Accounts are estimated to be uncollectible if they are outstanding for greater than six months. Payables are comprised of unpaid vendor and supplier invoices and are recognized when incurred.

**Fair Value Measurements:** The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). As of June 30, 2023, there are no items required to be valued using valuation techniques.

**Prepaid Expenses:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Authority's financial statements.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year, unless stated otherwise by HUD. The Authority does have an exception for purchases made under Capital Fund Projects. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.2.20.1.9 C (5). Contributed capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Depreciation is recorded using the straight-line method based on the estimated useful life of the asset. The following lives are utilized:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5 - 40
Machinery and equipment	3 - 15

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

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

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

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

**Accrued Expenses:** Accrued expenses are comprised of accrued salaries, wages, related employment taxes and current and noncurrent maturities of compensated absences, discussed more fully below.

**Compensated Absences:** Employees of the Authority are entitled to be compensated for accrued vacation time off, which is reported as an expense and a liability of the program that will fund it. There is a cap of 240 hours of vacation leave that an employee is permitted to accrue. When an employee separates from employment with the Authority in good standing, the employee is eligible to receive payment for accrued time remaining.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position:** Net Position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components:

- Net investment in capital assets - This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position - Net Position is reported as restricted when constraints placed on use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - Net Position that does not meet the definition of "restricted" or "net investment in capital assets".

**Unrestricted and Restricted Resources:** When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures such as the lives of capital assets. Accordingly, actual results could differ from those estimates. Significant estimates in the Authority's financial statements include depreciation on capital assets, allowance for uncollectible tenant accounts, the current portion of accrued compensated absences, the net pension liability and related deferred inflows and outflows of resources and the allowance for uncollectible accounts.

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

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

*D. Budgets*

The Authority's Commission is required to obtain approval from HUD for any revisions to the budgets that alter the total expenditures, at the legal level of budgetary control, which is at the grant program level. HUD program budgets are prepared on a regulatory basis which is comparable to the GAAP basis except for the omission of depreciation. Budgetary data for the Authority's programs are prepared on a calendar year basis. HUD does not require the presentation of the budgets in the audit report. The inclusion of the budget in the audit report would be misleading as the audit report is as of June 30, 2023 and the HUD budget period is not complete as of that date.

*E. New Adopted GASB Pronouncements*

During the year ended June 30, 2023 the Authority adopted GASB Statements No.91, *Conduit Debt Obligations*, No. 93 *Replacement of Interbank Offered Rates*, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, No. 96 *Subscription-Based Information Technology Arrangements*, No. 98, *The Annual Comprehensive Financial Report*, No. 99 *Omnibus 2022*. The Authority's accounting policy for accounting for Right of Use Assets and related liabilities under GASB Statement No. 96 is to capitalize amounts more than \$25,000. None of these pronouncements have a significant impact on these financial statements.

**NOTE 2. Deposits and Investments**

State Statutes authorize the investment of Authority funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the Authority properly followed State investment requirements as of June 30, 2023.

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

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

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

All of the Authority's accounts are located at an insured depository institution, including non-interest-bearing accounts which are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts.

**RIO ARRIBA COUNTY HOUSING AUTHORITY**

A Component Unit of Rio Arriba County

Notes to Financial Statements

June 30, 2023

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

**Custodial Credit Risk – Deposits**

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). At June 30, 2023, \$136,143 of the Authority's bank balance was exposed to custodial credit risk. This full amount of the Authority's deposits were uninsured and uncollateralized at June 30, 2023. The Authority has certificates of deposits totaling \$210,974 that are included with the bank balance of deposits below but are classified as investments because their maturity is over one year.

	<b>Century Bank Rio Arriba Housing Authority</b>	<b>Century Bank Villa Del Norte</b>	<b>Total</b>
Amount of deposits	\$ 597,117	\$ 120,365	\$ 717,482
FDIC Coverage	<u>(460,974)</u>	<u>(120,365)</u>	<u>(581,339)</u>
Total uninsured public funds	<u>136,143</u>	<u>-</u>	<u>136,143</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Authority's name	<u>-</u>	<u>-</u>	<u>-</u>
Uninsured and uncollateralized	<u>\$ 136,143</u>	<u>\$ -</u>	<u>\$ 136,143</u>
Collateral requirement (100% of uninsured funds)	\$ 136,143	\$ -	\$ 136,143
Pledged Collateral	<u>-</u>	<u>-</u>	<u>-</u>
Over (Under) collateralized	<u>\$ (136,143)</u>	<u>\$ -</u>	<u>\$ (136,143)</u>

**Reconciliation to the Statement of Net Position**

The carrying amount of deposits shown above are included in the Authority's Statement of Net Position as follows:

Cash- Statement of Net Position	\$ 496,439
Investments	210,974
Restricted cash	<u>8,869</u>
Total cash	<u>716,282</u>
Plus: reconciling items	<u>1,200</u>
Bank balance of deposits	<u>\$ 717,482</u>

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

**NOTE 3. Accounts Receivable**

Receivables as of June 30, 2023, are as follows:

Grant receivables, current and noncurrent	\$	367,456
Tenant receivables		12,527
Other receivables		<u>1,340</u>
	\$	<u><u>381,323</u></u>

Of the grant receivables presented above, \$215,899 is not expected to be collected by June 30, 2024. As such, they are classified as noncurrent assets on the statement of Net Position, Exhibit A-1.

**NOTE 4. Interfund Receivables and Transfers**

The Authority records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. All interfund balances are to be repaid within one year. These are reported as "Due from other funds" and "Due to other funds" on the Statement of Net Position.

The composition of interfund balances during the year ended June 30, 2023 is as follows:

<b>Due from other funds</b>	<b>Due to other funds</b>	<b>Amount</b>
Low Rent Public Housing	Section 8 Housing Choice Vouchers Program	\$ 116
		<u><u>116</u></u>

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

**NOTE 5. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2023. Land is not subject to depreciation.

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance June 30, 2023</u>
Capital assets not depreciated:				
Land	\$ 109,735	\$ -	\$ -	\$ 109,735
Total assets not depreciated	<u>109,735</u>	<u>-</u>	<u>-</u>	<u>109,735</u>
Capital assets being depreciated:				
Buildings and improvements	5,639,544	-	-	5,639,544
Machinery and equipment	<u>185,882</u>	<u>30,120</u>	-	<u>216,002</u>
Total assets depreciated	<u>5,825,426</u>	<u>30,120</u>	<u>-</u>	<u>5,855,546</u>
Total assets	5,935,161	30,120	-	5,965,281
Less accumulated depreciation for:				
Buildings and improvements	5,422,803	64,504	-	5,487,307
Machinery and equipment	<u>172,578</u>	<u>9,747</u>	-	<u>182,325</u>
Total accumulated depreciation	<u>5,595,381</u>	<u>74,251</u>	<u>-</u>	<u>5,669,632</u>
<b>Capital assets, net</b>	<u>\$ 339,780</u>	<u>\$ (44,131)</u>	<u>\$ -</u>	<u>\$ 295,649</u>

Depreciation expense for the year ended June 30, 2023 totaled \$74,251.

**NOTE 6. Long-term Liabilities**

The following summarizes changes in long-term liabilities during the fiscal year ended June 30, 2023. Compensated absences are typically liquidated through the Low Rent Public Housing Program.

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 6,513	\$ 4,726	\$ 2,380	\$ 8,859	\$ 6,753

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

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

*Public Employees Retirement Fund* is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded. PERA issues a publicly available annual comprehensive financial report that can be obtained at <https://www.nmpera.org/financial-overview/>.

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

**TIER II**

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

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

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

<b>PERA Contribution Rates and Pension Factors in effect during FY22</b>						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
<b>STATE PLAN</b>						
State Plan 3	7.42%	9.92%	18.24%	3.00%	2.50%	90%
<b>MUNICIPAL PLANS 1 - 4</b>						
Municipal Plan 1 (plan open to new employers)	7.00%	8.50%	7.65%	2.00%	2.00%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.80%	2.50%	2.00%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.80%	3.00%	2.50%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.30%	3.00%	2.50%	90%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
Municipal Police Plan 1	7.00%	8.50%	10.65%	2.00%	2.00%	90%
Municipal Police Plan 2	7.00%	8.50%	15.65%	2.50%	2.00%	90%
Municipal Police Plan 3	7.00%	8.50%	19.15%	2.50%	2.00%	90%
Municipal Police Plan 4	12.35%	13.85%	19.15%	3.00%	2.50%	90%
Municipal Police Plan 5	16.30%	17.80%	19.15%	3.50%	3.00%	90%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
Municipal Fire Plan 1	8.00%	11.00%	11.65%	2.00%	2.00%	90%
Municipal Fire Plan 2	8.00%	11.00%	18.15%	2.50%	2.00%	90%
Municipal Fire Plan 3	8.00%	11.00%	21.90%	2.50%	2.00%	90%
Municipal Fire Plan 4	12.80%	15.80%	21.90%	3.00%	2.50%	90%
Municipal Fire Plan 5	16.20%	19.20%	21.90%	3.50%	3.00%	90%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.00%	3.00%	90%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.50%	3.00%	3.00%	90%
State Plan 3 - Peace Officer	7.42%	9.92%	17.24%	3.00%	3.00%	90%
Juvenile Correctional Officer Plan 2	4.78%	7.28%	26.37%	3.00%	3.00%	90%

**RIO ARRIBA COUNTY HOUSING AUTHORITY**

A Component Unit of Rio Arriba County

Notes to Financial Statements

June 30, 2023

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

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

At June 30, 2023, the Authority reported a liability of \$104,826 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021.

The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2022 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2021. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2022. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Authority’s proportion was 0.00591 percent, which was a decrease of 0.00019 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Authority recognized pension income of \$7,333. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 420	\$ 2,549
Net difference between expected and actual investments on pension plan investments	10,374	-
Change in assumptions	-	-
Change in proportion	1,433	9,512
Authority's contributions subsequent to the measurement date	6,579	-
Total	\$ 18,806	\$ 12,061

\$6,579 reported as deferred outflows of resources related to pensions resulting from the Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

Year ended June 30:

2024	\$	(5,119)
2025		1,116
2026		(4,022)
2027		8,191
Total	\$	166

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

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

*Actuarial assumptions.* The total pension liability in the June 30, 2021 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

<b>PERA FUND</b>	
<b>Actuarial Valuation Date</b>	June 30, 2021
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Level Percentage of Payroll for all divisions except for the Legislative division which is Level Dollar
<b>Amortization Period</b>	25 years
<b>Actuarial Assumptions:</b>	
Investment Rate of Return	7.25% annual rate
Projected benefit payment	100 years
Projected Salary increases	3.25% to 13.50% annual rate
Includes Inflation at	2.50%
Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For non- public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2022. These assumptions were adopted by the Board use in the June 30, 2021 actuarial valuation.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Global Equity	35.50%	6.35%
Risk Reduction & Mitigation	19.50%	1.90%
Credit Oriented Fixed Income	15.00%	4.45%
Real Assets to include Real Estate Equity	20.00%	5.10%
Multi-Risk Allocation	<u>10.00%</u>	6.65%
Total	100.00%	

**RIO ARRIBA COUNTY HOUSING AUTHORITY**  
A Component Unit of Rio Arriba County  
Notes to Financial Statements  
June 30, 2023

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

*Discount rate.* A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2022. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

*Sensitivity of the Authority’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Authority's proportionate share of the net pension liability	\$ 158,624	\$ 104,826	\$ 60,134

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

**Payables to the pension plan.** At June 30, 2023, the Housing Authority owed PERA \$531 for the contributions withheld in the month of June 2023.

**NOTE 8. Contingent Liabilities**

*Legal Proceedings* – The Authority is subject to various legal proceedings that arise in the ordinary course of the Authority's operations. In the opinion of the Authority's management, the ultimate resolution of the matters will not have a material adverse impact on the financial position or results of operations of the Authority.

*Federal Grants* – The Authority receives federal grants for various specific purposes. These grants are subject to audit, which may result in requests for reimbursements to granting agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowance, if any, will not be material to the financial statements.

**NOTE 9. Risk Management**

Rio Arriba County Housing Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets: errors and omissions: injuries to employees: and natural disasters. The Authority has joined together with other housing authorities throughout the country and obtained insurance through the Housing Authority Insurance Group, a housing authority risk pool currently operating as a common risk management and insurance program for member units. The Authority pays an annual premium to the Housing Authority Insurance Group for its general insurance coverage and all risk of loss is transferred to the risk pool.

**RIO ARRIBA COUNTY HOUSING AUTHORITY**

A Component Unit of Rio Arriba County

Notes to Financial Statements

June 30, 2023

**NOTE 10. Concentration**

Approximately 65% of total revenues of the Authority are received directly from the United States Department of Housing and Urban Development, for operations and administration of programs directed by the Department. Receipt of these funds is contingent upon the Authority's continued compliance with grant provisions and the continuance of the grant programs by this U.S. Governmental agency.

**NOTE 11. Subsequent Events**

The date to which events occurring after June 30, 2023, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 1, 2023 which is the date on which the financial statements were issued. No events took place subsequent to year end.

**NOTE 12. Related Party**

Rio Arriba County Housing Authority has entered into a Property Management Agreement with the Truth or Consequences Housing Authority to manage, rent, lease, and operate the Villa Del Norte Apartments, located at 737 La Joya St. NE, Espanola, NM on behalf Truth or Consequences Housing Authority. The term of the agreement has been renewed through December 31, 2023, and is typically renewed on an annual basis. The U.S. Department of Housing and Urban Development has approved this agreement. Rio Arriba County Housing Authority receives management fees in the amount of \$14.40 per unit per month leased plus Management salaries and benefits. For the year ended June 30, 2023, total management fee income was \$68,876.

**REQUIRED SUPPLEMENTARY INFORMATION**

**RIO ARRIBA COUNTY**

Schedule of the County's Proportionate Share of the Net Pension Liability  
of PERA Fund Municipal General Division  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	<b>2023 Measurement Date (As of and for the year ended <u>June 30, 2022</u>)</b>	<b>2022 Measurement Date (As of and for the year ended <u>June 30, 2021</u>)</b>
Rio Arriba County's proportion of the net pension liability	1.0867%	1.1663%
Rio Arriba County's proportionate share of the net pension liability	\$ 19,274,002	\$ 13,140,511
Rio Arriba County's covered payroll	\$ 7,945,661	\$ 8,280,395
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered payroll	242.57%	158.69%
Plan fiduciary net position as a percentage of the total pension liability	69.35%	77.25%

	<b>2016 Measurement Date (As of and for the year ended <u>June 30, 2015</u>)</b>	<b>2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u>)</b>
Rio Arriba County's proportion of the net pension liability	1.3302%	1.3579%
Rio Arriba County's proportionate share of the net pension liability	\$ 13,562,542	\$ 10,593,077
Rio Arriba County's covered payroll	\$ 7,043,138	\$ 6,791,648
Rio Arriba County's proportionate share of the net pension liability as a	192.56%	155.97%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

\* Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of the information is available. Complete information for Rio Arriba County is not available prior to fiscal year 2015, the year the statement requirements became effective.

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

<b>2021 Measurement Date (As of and for the year ended <u>June 30, 2020</u>)</b>	<b>2020 Measurement Date (As of and for the year ended <u>June 30, 2019</u>)</b>	<b>2019 Measurement Date (As of and for the year ended <u>June 30, 2018</u>)</b>	<b>2018 Measurement Date (As of and for the year ended <u>June 30, 2017</u>)</b>	<b>2017 Measurement Date (As of and for the year ended <u>June 30, 2016</u>)</b>
1.1337%	1.1070%	1.2615%	1.2390%	1.3228%
\$ 22,925,991	\$ 19,163,271	\$ 20,112,979	\$ 17,024,908	\$ 21,133,893
\$ 7,082,389	\$ 6,624,828	\$ 6,547,862	\$ 7,045,872	\$ 7,401,984
323.70%	289.26%	307.17%	241.63%	285.52%
66.36%	70.52%	71.13%	73.74%	69.18%

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

**RIO ARRIBA COUNTY**

Schedule of the County's Proportionate Share of the Net Pension Liability  
of PERA Fund Municipal Police Division  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	<b>2023 Measurement Date (As of and for the year ended <u>June 30, 2022</u>)</b>	<b>2022 Measurement Date (As of and for the year ended <u>June 30, 2021</u>)</b>
Rio Arriba County's proportion of the net pension liability	0.4406%	0.4381%
Rio Arriba County's proportionate share of the net pension liability	\$ 3,540,647	\$ 2,265,736
Rio Arriba County's covered payroll	\$ 1,073,203	\$ 1,055,184
Rio Arriba County's proportionate share of the net pension liability as a percentage of its covered payroll	329.91%	214.72%
Plan fiduciary net position as a percentage of the total pension liability	69.35%	77.25%
	<b>2016 Measurement Date (As of and for the year ended <u>June 30, 2015</u>)</b>	<b>2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u>)</b>
Rio Arriba County's proportion of the net pension liability	0.4546%	0.4989%
Rio Arriba County's proportionate share of the net pension liability	\$ 2,185,972	\$ 1,626,360
Rio Arriba County's covered payroll	\$ 2,210,948	\$ 2,056,163
Rio Arriba County's proportionate share of the net pension liability as a	98.87%	79.10%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

\* Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of the information is available. Complete information for Rio Arriba County is not available prior to fiscal year 2015, the year the statement requirements became effective.

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

<b>2021 Measurement Date (As of and for the year ended June 30, 2020)</b>	<b>2020 Measurement Date (As of and for the year ended June 30, 2019)</b>	<b>2019 Measurement Date (As of and for the year ended June 30, 2018)</b>	<b>2018 Measurement Date (As of and for the year ended June 30, 2017)</b>	<b>2017 Measurement Date (As of and for the year ended June 30, 2016)</b>
0.3971%	0.4062%	0.4719%	0.4786%	0.4480%
\$ 3,410,571	\$ 3,000,474	\$ 3,219,794	\$ 2,658,937	\$ 3,308,428
\$ 1,934,065	\$ 1,845,987	\$ 2,031,037	\$ 2,129,148	\$ 2,096,194
176.34%	162.54%	158.53%	124.88%	157.83%
66.36%	70.52%	71.13%	73.74%	69.18%

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

**RIO ARRIBA COUNTY**  
Schedule of the County's Contributions  
Public Employees Retirement Association (PERA) Plan  
PERA Fund Municipal General Division  
Last 10 Fiscal Years\*

	<b>As of and for the year ended <u>June 30, 2023</u></b>	<b>As of and for the year ended <u>June 30, 2022</u></b>
Contractually required contribution	\$ 1,014,733	\$ 1,036,064
Contributions in relation to the contractually required contribution	<u>(1,014,733)</u>	<u>(1,036,064)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	\$ 7,574,128	\$ 7,945,661
Contributions as a percentage of covered payroll	13.40%	13.04%
	<b>As of and for the year ended <u>June 30, 2016</u></b>	<b>As of and for the year ended <u>June 30, 2015</u></b>
Contractually required contribution	\$ 891,939	\$ 848,698
Contributions in relation to the contractually required contribution	<u>(891,939)</u>	<u>(848,698)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	\$ 7,401,984	\$ 7,043,138
Contributions as a percentage of covered payroll	12.05%	12.05%

\* Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of the information is available. Complete information for Rio Arriba County is not available prior to fiscal year 2015, the year the statement requirements became effective.

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

<b>As of and for the year ended June 30, 2021</b>	<b>As of and for the year ended June 30, 2020</b>	<b>As of and for the year ended June 30, 2019</b>	<b>As of and for the year ended June 30, 2018</b>	<b>As of and for the year ended June 30, 2017</b>
\$ 1,077,374	\$ 842,622	\$ 789,864	\$ 789,017	\$ 849,028
<u>(1,077,374)</u>	<u>(842,622)</u>	<u>(789,864)</u>	<u>(789,017)</u>	<u>(849,028)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,280,395	\$ 7,082,389	\$ 6,624,828	\$ 6,547,862	\$ 7,045,872
13.01%	11.90%	11.92%	12.05%	12.05%

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

**RIO ARRIBA COUNTY**  
Schedule of the County's Contributions  
Public Employees Retirement Association (PERA) Plan  
PERA Fund Municipal Police Division  
Last 10 Fiscal Years\*

	<b>As of and for the year ended <u>June 30, 2023</u></b>	<b>As of and for the year ended <u>June 30, 2022</u></b>
Contractually required contribution	\$ 227,406	\$ 205,518
Contributions in relation to the contractually required contribution	<u>(227,406)</u>	<u>(205,518)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	\$ 1,158,201	\$ 1,073,203
Contributions as a percentage of covered payroll	19.63%	19.15%
	<b>As of and for the year ended <u>June 30, 2016</u></b>	<b>As of and for the year ended <u>June 30, 2015</u></b>
Contractually required contribution	\$ 374,023	\$ 378,219
Contributions in relation to the contractually required contribution	<u>(374,023)</u>	<u>(378,219)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	\$ 2,096,194	\$ 2,210,948
Contributions as a percentage of covered payroll	17.84%	17.11%

\* Governmental Accounting Standards Board Statement 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of the information is available. Complete information for Rio Arriba County is not available prior to fiscal year 2015, the year the statement requirements became effective.

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

<b>As of and for the year ended June 30, 2021</b>	<b>As of and for the year ended June 30, 2020</b>	<b>As of and for the year ended June 30, 2019</b>	<b>As of and for the year ended June 30, 2018</b>	<b>As of and for the year ended June 30, 2017</b>
\$ 201,987	\$ 351,745	\$ 331,454	\$ 364,055	\$ 381,428
<u>(201,987)</u>	<u>(351,745)</u>	<u>(331,454)</u>	<u>(364,055)</u>	<u>(381,428)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,055,184	\$ 1,934,065	\$ 1,845,987	\$ 2,031,037	\$ 2,129,148
19.14%	18.19%	17.96%	17.92%	17.91%

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

**RIO ARRIBA COUNTY**  
Rio Arriba County  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2023

**PERA**

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

*Assumptions: The Public Employee Retirement Association of New Mexico Annual Actuarial Valuations as of June 2022 report is available at <http://www.nmpera.org>.*

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

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**RIO ARRIBA COUNTY**  
Schedule of Proportionate Share of the Net OPEB Liability  
Retiree Health Care OPEB Plan  
Last 10 Fiscal Years\*

	<b>2023</b> <b>Measurement</b> <b>Date (As of and</b> <b>for the Year</b> <b>Ended June 30,</b> <b>2022)</b>	<b>2022</b> <b>Measurement</b> <b>Date (As of and</b> <b>for the Year</b> <b>Ended June 30,</b> <b>2021)</b>	<b>2021</b> <b>Measurement</b> <b>Date (As of and</b> <b>for the Year</b> <b>Ended June 30,</b> <b>2020)</b>
Rio Arriba County's proportion of the net OPEB liability (asset)	0.18828%	0.20486%	0.19783%
Rio Arriba County's proportionate share of the net OPEB liability (asset)	\$ 4,352,265	\$ 6,740,611	\$ 8,306,700
Rio Arriba County's covered payroll	9,005,988	9,325,556	9,061,668
Rio Arriba County's proportionate share of the net OPEB liability as a percentage of its covered payroll	48%	72%	92%
Plan fiduciary net position as a percentage of the total OPEB liability	33.33%	25.39%	16.50%

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

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

<b>2020</b> <b>Measurement</b> <b>Date (As of and</b> <b>for the Year</b> <b>Ended June 30,</b> <b>2019)</b>	<b>2019</b> <b>Measurement</b> <b>Date (As of and</b> <b>for the Year</b> <b>Ended June 30,</b> <b>2018)</b>	<b>2018</b> <b>Measurement</b> <b>Date (As of and</b> <b>for the Year</b> <b>Ended June 30,</b> <b>2017)</b>
0.20297%	0.21521%	0.22795%
\$ 6,581,076	\$ 9,358,094	\$ 10,329,949
8,474,954	8,657,852	9,495,593
78%	108%	109%
18.92%	13.14%	11.34%

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

**RIO ARRIBA COUNTY**  
Schedule of Contributions  
Retiree Health Care OPEB Plan  
Last 10 Fiscal Years\*

	<b>As of and for the Year Ended June 30, 2023</b>	<b>As of and for the Year Ended June 30, 2022</b>	<b>As of and for the Year Ended June 30, 2021</b>
Contractually required contribution	\$ 179,492	\$ 191,193	\$ 197,695
Contributions in relation to the contractually required contribution	<u>179,492</u>	<u>191,193</u>	<u>197,695</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Rio Arriba County's covered payroll	8,737,448	9,005,988	9,325,556
Contribution as a percentage of covered payroll	2.05%	2.12%	2.12%

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

**Notes to Required Supplementary Information**

**RHC Plan**

*Changes of Benefit Terms*

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

*Changes of Assumptions*

In the total OPEB liability measured as of June 30, 2022, changes in assumptions include adjustments resulting from a decrease in the discount rate from 3.62% to 5.42%.

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2022. Additional financial information is available at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us) or by contacting New Mexico Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

<b>As of and for the Year Ended June 30, 2020</b>	<b>As of and for the Year Ended June 30, 2019</b>	<b>As of and for the Year Ended June 30, 2018</b>
\$ 190,909	\$ 179,672	\$ 183,495
<u>190,909</u>	<u>179,672</u>	<u>183,495</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
9,061,668	8,474,954	8,657,852
2.11%	2.12%	2.12%

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

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## **SUPPLEMENTARY INFORMATION**

**RIO ARRIBA COUNTY**  
Nonmajor Fund Descriptions  
June 30, 2023

**Special Revenue Funds**

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

2202 – Environmental (Solid Waste) - Rio Arriba County, working in a Memorandum of Agreement with its North Central Solid Waste Authority to provide solid waste collection, removal and disposal services. Funding is provided by Gross Receipts Tax Revenue (Authority: 7-20E-17 & 7-19D-10)

2203 – County Property Evaluation – The County established the fund to account for expenditures for training and other expenditures pertaining to the County Evaluation Program. A 1% administrative fee on property tax distributions provides funds (Authority: NMSA 7-38-38.1)

2204 – County Road – The County established this fund to account for road projects in Rio Arriba County, New Mexico. (Authority: NMSA 67-3-28.2)

2207 – Emergency Communication/EMS – Established to account for expenditures related to 911 Center Operations and Emergency Medical Services funding is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20E-12)

2208 – Farm and Range Improvement – To account for expenditures related to soil conservation, predatory animal and insect control. Funding is provided from distributions made under the Taylor Grazing Act. (Authority: NMSA 6-11-6)

2211 – Law Enforcement Protection – To account for expenditures related to the purchase of law enforcement equipment and training. Financing is provided by a grant from New Mexico Department of Finance and Administration. (Authority: NMSA 29-13-7)

2214 – Lodgers’ Tax – The County established this fund to account for the administration of a County promotional effort. Financing is derived from lodgers’ tax imposed on hotels located within the unincorporated sections of the County. Rio Arriba County established the fund pursuant to Lodger’s Occupancy Tax Ordinance. (Authority: NMSA 3-38-13 - 24)

2217 – Recreation - The County established the fund to account for expenditures related to the operations of its recreational activities. Financing is provided by a cigarette tax and other miscellaneous sources. (Authority: NMSA 7-12-15)

2219 – Senior Citizen Program- The County established the fund to account for expenditures related to the operation of its senior programs. Funding is provided form federal grants and County matching funds. (Authority: County Commission)

2222 – County Fire Protection – The County established the fund to account for expenditures of equipment, operating costs, and training for volunteer fire fighters. Financing is provided by Gross Receipts Tax Revenue. (Authority: NMSA 7-20E-15)

2225 – Clerk Recording & Filing – The County established this fund to account for receipts and expenditures related to the County Clerk’s Office. New Mexico law stipulates that this fund is designated “for the purpose of equipment associated with recording, filing, maintaining or reproducing documentation”. Financing is provided from County recording fees. (Authority: NMSA 14-8-10)

2402 – New Mexico State Library – The County established the fund to account for expenditures that assist the Public Library. The County assists three public libraries. Funding is provided from the General Obligation Bonds for the purpose of providing public library resources. County established the fund pursuant to NM Statutes Law (Authority: NMSA 1978, 4-36-2).

2403 – HUD Rural Capacity Building Grant - To account for expenditures incurred in grant whose purpose of implementing or identifying Rural Community Assistance. (Authority: County Commission)

**RIO ARRIBA COUNTY**  
Nonmajor Fund Descriptions  
June 30, 2023

2406 – Economic Development (Regional Development Corporation Grant) - To account for expenditures incurred in grant whose purpose of implementing or identifying Economic Development. (Authority: County Commission)

2408 – Low Rider Museum NM True – To account for expenditures incurred in grant whose purpose of implementing a Low Rider Museum (Authority: County Commission).

2409 – Forest Reserve Title III – The County established this fund to account for expenditures for community services and fire and rescue activities. Funding provided by United State Public Law 106-393.

2414 – Census Grant - To account for expenditures incurred in grant whose purpose of implementing or identifying Economic Development and ensuring there is a proper county census. (Authority: County Commission)

2528 – Inmate Evercom Phone Fund – The County established the fund to account for inmate expenditures as needed. Financing is provided from phone system charges that were collected as a commission on the purchase of phone cards. (Authority: County Commission)

2600 – Coronavirus State & Local Recovery (ARPA) Funds - To account for expenditures related to COVID Pandemic during the Coronavirus Emergency. Funds are provided by Federal Funding (Authority: County Commission)

2700 - LG Abatement Opioid – To account for funds awarded from the National Opioid Abatement Settlement Trust and distributed by Wilmington Trust to be used specifically for opioid prevention and education uses.

2900 - LATCF - To account for LE Recruitment/Retention distributed by the NM Department of Public Safety for Retention Stipends determined by longevity and NM DPS. Currently distributed in fiscal years 2023, 2024 and 2025 as a three-year grant for law enforcement officers.

5100 – Alcalde Cemetery – The County established the fund to account for fees and expense related to the County Alcalde Cemetery. (Authority: County Commission)

**FIRE DEPARTMENT FUNDS**

2301,2302,2303,2305,2306,2307,2308,2310,2311,2312,2313,2314,2315,2317,2318,2319 2320 – Fire Department Funds – To account for expenditures of equipment, operating costs, and training for volunteer fire fighters. The County maintains and operates seventeen (17) fire departments; El Rito, Tierra Amarilla, Dixon, Canjilon/Cebolla, Truchas/Cordova, La Mesilla/San Pedro, Abiquiu, Laguna Vista, Coyote, Ojo Sarco, Chamita, Dulce, Vallecitos, Brazos Canyon, Agua Sana, Lindrith/Llaves, Rio Grande. Funding is provided from the State of New Mexico Fire Protection Fund Act. (Authority: NMSA 59-A-53-2)

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

**EMS FUNDS**

2350,2351,2352,2353,2354,2356,2357,2360,2361,2363,2366,2368,2369 – Emergency Medical Service (EMS) Funds – to account for expenditures for maintenance and operations of ambulance service in the County. The County maintains and operates thirteen (13) EMS Departments; Jicarilla, Lindrith, Dixon, Santa Clara, Espanola, La Clinica , El Rito, Abiquiu, Ojo Sarco, La Mesilla, Agua Sana, Chamita, Coyote. Funding is provided from the Emergency Medical Services Act. (Authority: NMSA 24-10A & B)

**DWI GRANTS**

2223 – DWI Local DWI Program – To account for expenditures incurred for prevention, outpatient treatment, intensive probation and alternative sentencing for the DWI Program. Funding is provided from state grants and County matching funds. (Authority: County Commission)

**RIO ARRIBA COUNTY**  
Nonmajor Fund Descriptions  
June 30, 2023

2224 – DWI Detox Grant – To account for expenditures made for prevention, law enforcement, screening and assessment, outpatient treatment, and coordination and planning of DWI program activities in the County. Funding is provided from State grants and County matching funds. (Authority: NMSA 11-6A-6)

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

2460 – DWI NM Youth Conservation Corps-To plan, design, establish and manage a YCC project including recruiting, guiding and coordinating the work of corps members and providing them with job and life skills training and educational opportunities in accordance with NMYCC Act. (Authority: County Commission)

2461 – DWI Los Alamos County Treatment-To account for expenditures for providing DWI Treatment. (Authority: County Commission)

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

2463 – DWI ADC MOU-To account for expenditure related to services assigning RAC STOP to oversee the Adult Day Care Program. (Authority: County Commission)

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

2467 - NMSH&T Community DWI - To account for expenditures incurred for activities to reduce DWI which are of permanent direct benefit to traffic safety in New Mexico. Funding is provided from fees imposed on convicted drunk drivers as allowed by Section 31-12-7(B), Regulation 18.20.6 NMAC (2004) (Authority: County Commission)

2468 – DWI Misdemeanor Compliance Program RAC MCP – To account for expenditures related to the DWI Misdemeanor Compliance program whose purpose is to ensure, through standards and limitations of powers, the safe and consistent handling of misdemeanor defendants who may be monitored or supervised by county operated misdemeanor compliance programs. (Authority: County Commission)

2469 – DWI Correction Program - CYFD – To Account for expenditures incurred for providing juvenile community corrections services to clients. Funding provided by the New Mexico Department of Children, Youth and Families Department. (Authority: County Commission)

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

2471- DWI OSAP - To account for expenditures incurred for RAC Stop program to conduct assessment and UA on clients to be a candidate for program. (Authority: County Commission)

2485 – DWI SAMSHA The County established the fund to account for expenditures incur in implementing the SAMHSA DFC grant – establish and strengthen collaboration among communities, and reduce substance abuse among youth and over time among adults. (Authority: County Commission)

2499 – DWI RAJJB - Rio Arriba County, working in conjunction with its Rio Arriba Juvenile Justice Board, established this fund to account for expenditures incurred for continuum of programs for youth at high risk of delinquent behavior. Rio Arriba Acts as the fiscal agent for the Rio Arriba Juvenile Justice Board. (Authority: County Commission)

**SHERIFF GRANTS**

2434 – RASO Abiquiu Lake Patrol - To account for expenditures related to lake patrol of the Abiquiu Dam. Funds are provided by the USDA Corps of Engineers. (Authority: County Commission)

**RIO ARRIBA COUNTY**  
Nonmajor Fund Descriptions  
June 30, 2023

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

2436 – RASO BJA FY 20 Coronavirus Emergency – To account for expenditures related to Coronavirus during pandemic. Funds are provided by the DOJ. (Authority: County Commission)

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

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

2442 – RASO BKLUP - To account for expenditures related to DWI overtime for prevention and enforcement. Funds are provided by the New Mexico Department of Transportation. (Authority: County Commission)

2443 – RASO STEP - To account for expenditures related to DWI overtime for prevention and enforcement. Funds are provided by the New Mexico Department of Transportation. (Authority: County Commission)

**HEALTH AND HUMAN SERVICES BEHAVIORAL GRANT**

2418 – HHS PCS - To account for expenditures related to services assigning HHS to oversee Adult Day Care Program. (Authority: County Commission)

2419 – HHS Medicaid Start Up-Loan funds form GF to seed Medicaid start-up. Includes reimbursement for services provided to HHS that are billed to Medicaid. (Authority: County Commission)

2449 – HHS BHSD LEAD - To account expenditures for substance abuse treatment and recovery support activities. (Authority: County Commission)

2450 – HHS Rise Program-To account for expenditures related to behavioral heal services and benefits enrollment for inmates at the detention facility who suffer from substance use disorders. (Authority: County Commission)

2451 – HHS Pew Charitable Trust-To account for expenditures for evaluation and research into the pathways care Coordination Model

2453 – HHS Opioid Epidemic Demo Project- To account for expenditures related to services to prevent or lessen impact of opioids in four priority areas: housing, school-based intervention, intensive case management through probation certified peer support workers. (Authority: County Commission)

2454 – HHS Youth Homelessness- To account for expenditures for housing and case management for at risk youth 18-24. (Authority: County Commission)

2455 – HHS El Centro/Semilas de Esperaza-To account for expenditures for collaboration with El Centro Family Health to train Certified Peer Support Workers at clinics and school based clinics. (Authority: County Commission)

2456 – HHS American Heart Association Mini Grant- Reimbursement for hosting events and activities to bring awareness to heart disease prevention. (Authority: County Commission)

2457 – HHS Drug Policy Alliance-To account for expenditures for support for law enforcement assisted diversion start up. (Authority: County Commission)

2459 – HHS Vista - To account expenditures for substance abuse treatment and recovery support activities. (Authority: County Commission)

2481 – HHS CHI – Center Health Innovation - To account expenditures for substance abuse treatment and recovery support activities. (Authority: County Commission)

**RIO ARRIBA COUNTY**  
Nonmajor Fund Descriptions  
June 30, 2023

2482 – HHS DOH MOA - To account for expenditures for Rio Arriba Community Health Council to meet deliverables such as by law updates and establishment of behavioral health task force to plan a crisis response team

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

2484 – HHS SAMHSA - The County established this found to account for expenditures incurred to improve and expand health care services for underserved people, focusing on the following program areas: Health Care systems, Primary Health Care/ Health Centers. (Authority: County Commission)

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

2487 – HHS Naloxone Program-To account for expenditures related to working with community providers, pharmacies, and police to reduce barriers to deployment of Narcan and to increase its use. (Authority: County Commission)

2489 – HHS SGF JIS – To account for expenditures for intensive case management for substance use disorder for Rio Arriba County residents. (Authority: County Commission)

2490 – HHS Medicaid Enrollment Program- To account for expenditure to enrollment into Medicaid of Jail inmates. (Authority: County Commission)

2492 – HHS BJA COMP Opioid Cossap - The County established this found to account for expenditures incurred to improve and expand opioid services. (Authority: County Commission)

2493 – HHS DOJ LEAD-To account expenditures for Law enforcement assisted diversion including case management to individuals referred by police and maintenance policy working group, care coordination group, and other task forces needed to maintain fidelity to LEAD. (Authority: County Commission)

2494 – HHS Community Health Improvement-To account for expenditures for Presbyterian Hospital Organization for health council planning efforts. (Authority: County Commission)

2495 – BHSD Clinical Supervision Mini Grant - To account expenditures for substance abuse treatment and recovery support activities. (Authority: County Commission)

2496 – HHS National Council of Aging (NCOA) – The County established the fund to account for expenditures to implement a Benefits Enrollment Center. Benefit programs are Medicare Part D, Medicare Saving Programs, Medicaid, Supplemental Nutrition Assistance Program, and Low Income Energy Assistance. (Authority: County Commission)

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

2498 – HHS UNMHSC Vaccine Project - The County established the fund to account for expenditures incurred to perform vaccine services. (Authority: County Commission)

**Capital Projects Funds**

2530 – TA Natural Gas Line - The County established the fund to account for expense related to the County Natural Gas Line in Tierra Amarilla. (Authority: County Commission)

3285 – Landfill Closure - The County established the fund to account for expenditures incurred to perform the landfill closure. (Authority: County Commission)

**RIO ARRIBA COUNTY**  
Nonmajor Fund Descriptions  
June 30, 2023

**SENIOR APPROPRIATIONS CAPITAL PROJECTS**

3278,3287,3288,3289,3290,3292,3293,3294,3295,3296 – Senior Capital Outlay – The County established this fund to account for expenditures relative to various County Senior facility projects finance by the Senior Capital Outlay. (Authority: County Commission)

3366 – Fire District Bond Funds – The County established this fund to account for the initial receipt of the funds from the issuance of bonds and the subsequent expenditures of those funds. (Authority: County Commission)

3367 – EMS Bond Fund – The County established this fund to account for the initial receipt of funds from the issuance of bonds and the subsequent expenditures of those funds. (Authority: County Commission)

3400 – The County Established this fund to account for expenditures relative to capital projects financed by the General Fund. (Authority: County Commission)

3600 – Energy Savings Project Special Revenue Fund accounts for loan proceeds used for purposes of financing the costs of purchasing and installing new energy savings equipment, lighting and other improvements within the County. (Authority: County Commission)

3610 – TA Natural Gas Line - The County established the fund to account for expense related to the County Natural Gas Line in Tierra Amarilla. (Authority: County Commission)

3700 – CDBG Behavioral Health - The County Established this fund to account for expenditures relative to behavioral health facility financed by CDBG Funding. (Authority: County Commission)

**BONDS**

3601 – 2020 GO Bonds Capital Projects Fund accounts for loan proceeds used for purposes of financing the costs of new roads, infrastructure, and other equipment within the County. (Authority: County Commission)

3602 – Nursing Home Bond - accounts for Bonds used for the purchase of land or buildings for a Nursing Home within the County. (Authority: County Commission)

3603 – 2021 GO Bonds Capital Projects Fund accounts for loan proceeds used for purposes of financing the costs of new roads, infrastructure, and other equipment within the County. (Authority: County Commission)

**LEGISLATIVE APPROPRIATIONS**

**2018 STATE APPROPRIATION CAPITAL PROJECTS**

3748 - 2018 State Appropriations – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2018 State Appropriations. (Authority: County Commission)

**2019 STATE APPROPRIATION CAPITAL PROJECTS**

3734,3735,3737,3739,3745, 3750,3751- 2019 State Appropriations – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2019 State Appropriations. (Authority: County Commission)

**2020 STATE APPROPRIATION CAPITAL PROJECTS**

3701,3702,3703,3704,3705,3706,3707,3708,3709,3712 - 2020 State Appropriations – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2020 State Appropriations. (Authority: County Commission)

**2021 STATE APPROPRIATION CAPITAL PROJECTS**

3713,3714,3717,3718,3722,3725,3753 - 2021 State Appropriations – The County Established this fund to account for revenue and expenditures relative to capital projects financed by the 2021 State Appropriations. (Authority: County Commission)

**RIO ARRIBA COUNTY**  
Nonmajor Fund Descriptions  
June 30, 2023

**Debt Service Funds**

To account for the accumulation of resources and payment on General Obligation, Gross Receipt and Fire Tax Revenue bonds principal and interest

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

4401 – Alcalde Transfer Station Reserve - To account for monies that are in the reserve account for the Alcalde Transfer Station.

4402 – Debt Service –PPRF-5142&5643- To account for monies that are in the reserve account at the New Mexico Finance Authority NMFA.

4403 – Debt Service –Wastewater CWSRF 054- To account for monies that are used for the payments of debt services for the CWSRF wastewater project in Rio Arriba County.

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**RIO ARRIBA COUNTY**  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2023

	<b>Special Revenue</b>			
	<b>Corrections / Jail Operations</b>	<b>Environmental</b>	<b>County Property Valuation</b>	<b>County Road</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 7,205	\$ 660,799	\$ 357,065	\$ 1,796,491
Investments	-	-	-	-
Receivables:				
Taxes receivable	-	66,325	-	92,639
Due from other governments	-	-	-	-
<i>Total assets</i>	<b>\$ 7,205</b>	<b>\$ 727,124</b>	<b>\$ 357,065</b>	<b>\$ 1,889,130</b>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 1,069	\$ 9,818
Accrued payroll expenses	-	-	865	18,142
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	-	-	1,934	27,960
<i>Deferred inflows of resources</i>				
Unavailable revenue - loan receivable	-	-	-	-
<i>Total deferred inflows of resources</i>	-	-	-	-
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	727,124	355,131	-
Public safety	7,205	-	-	-
County roads	-	-	-	1,861,170
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
<i>Assigned to:</i>				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	7,205	727,124	355,131	1,861,170
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<b>\$ 7,205</b>	<b>\$ 727,124</b>	<b>\$ 357,065</b>	<b>\$ 1,889,130</b>

See independent auditors' report.

**Special Revenue**

<b>Emergency Communication /EMS</b>	<b>Farm &amp; Range Improvement</b>	<b>Law Enforcement Protection</b>	<b>Lodgers' Tax</b>	<b>Recreation</b>
\$ 2,269,402	\$ 3,451	\$ 2,805	\$ 232,266	\$ 466
-	-	-	-	-
305,809	-	-	-	-
-	-	-	-	-
<u>\$ 2,575,211</u>	<u>\$ 3,451</u>	<u>\$ 2,805</u>	<u>\$ 232,266</u>	<u>\$ 466</u>
\$ -	\$ -	\$ -	\$ 18,488	\$ -
-	-	10,095	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>10,095</u>	<u>18,488</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
2,575,211	-	-	-	-
-	-	-	-	-
-	-	-	213,778	466
-	3,451	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(7,290)</u>	<u>-</u>	<u>-</u>
<u>2,575,211</u>	<u>3,451</u>	<u>(7,290)</u>	<u>213,778</u>	<u>466</u>
<u>\$ 2,575,211</u>	<u>\$ 3,451</u>	<u>\$ 2,805</u>	<u>\$ 232,266</u>	<u>\$ 466</u>

See independent auditors' report.

**RIO ARRIBA COUNTY**  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2023

	<b>Special Revenue</b>			
	<b>Senior Citizen Program</b>	<b>County Fire Protection</b>	<b>DWI Program</b>	<b>Clerk Recording &amp; Filing</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 518,113	\$ 3,099,782	\$ 99,192	\$ 575,161
Investments	-	1,600,000	-	-
Receivables:				
Taxes receivable	-	130,899	-	-
Due from other governments	179,734	-	232,650	-
<i>Total assets</i>	<b>\$ 697,847</b>	<b>\$ 4,830,681</b>	<b>\$ 331,842</b>	<b>\$ 575,161</b>
<i>Liabilities</i>				
Accounts payable	\$ 5,410	\$ -	\$ 1,905	-
Accrued payroll expenses	21,046	-	19,741	-
Due to other funds	-	-	171,294	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<b>26,456</b>	<b>-</b>	<b>192,940</b>	<b>-</b>
<i>Deferred inflows of resources</i>				
Unavailable revenue - loan receivable	-	-	-	-
<i>Total deferred inflows of resources</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	575,161
Public safety	-	4,830,681	138,902	-
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	671,391	-	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
<i>Assigned to:</i>				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<b>671,391</b>	<b>4,830,681</b>	<b>138,902</b>	<b>575,161</b>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<b>\$ 697,847</b>	<b>\$ 4,830,681</b>	<b>\$ 331,842</b>	<b>\$ 575,161</b>

See independent auditors' report.



**RIO ARRIBA COUNTY**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2023

**Special Revenue**

	<b>Low Rider Museum</b>	<b>Forest Reserve</b>	<b>Census Grant</b>	<b>Sheriff's Grants</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 50,000	\$ 1,311,629	\$ -	\$ 32,219
Investments	-	150,000	-	-
Receivables:				
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	41,072
<i>Total assets</i>	<u>\$ 50,000</u>	<u>\$ 1,461,629</u>	<u>\$ -</u>	<u>\$ 73,291</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	-	1,512
Due to other funds	-	-	-	16,326
Unearned revenue	-	124,629	-	-
<i>Total liabilities</i>	<u>-</u>	<u>124,629</u>	<u>-</u>	<u>17,838</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue - loan receivable	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Public safety	-	-	-	55,453
County roads	-	1,337,000	-	-
Culture and recreation	50,000	-	-	-
Health and welfare	-	-	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>50,000</u>	<u>1,337,000</u>	<u>-</u>	<u>55,453</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 50,000</u>	<u>\$ 1,461,629</u>	<u>\$ -</u>	<u>\$ 73,291</u>

See independent auditors' report.

**Special Revenue**

<b>Health and Social Services</b>	<b>DWI NMYCC Program</b>	<b>Behavioral Health</b>	<b>Inmate Evercom Phone</b>	<b>ARPA Fund</b>
\$ 88,201	\$ -	\$ 149,405	\$ 109,070	\$ 3,451,526
-	-	-	-	-
-	-	-	-	-
-	89,835	408,483	7,080	-
<u>\$ 88,201</u>	<u>\$ 89,835</u>	<u>\$ 557,888</u>	<u>\$ 116,150</u>	<u>\$ 3,451,526</u>
\$ 10,478	\$ -	\$ 8,172	\$ -	\$ 11,847
-	11,713	10,726	-	-
9,276	83,337	257,064	-	-
-	-	-	-	3,439,679
<u>19,754</u>	<u>95,050</u>	<u>275,962</u>	<u>-</u>	<u>3,451,526</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	116,150	-
-	-	-	-	-
-	-	-	-	-
68,447	-	281,926	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(5,215)	-	-	-
<u>68,447</u>	<u>(5,215)</u>	<u>281,926</u>	<u>116,150</u>	<u>-</u>
<u>\$ 88,201</u>	<u>\$ 89,835</u>	<u>\$ 557,888</u>	<u>\$ 116,150</u>	<u>\$ 3,451,526</u>

See independent auditors' report.

**RIO ARRIBA COUNTY**  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2023

	<u>Special Revenue</u>			<u>Capital Projects</u>
	<u>LG Abatement Opioid</u>	<u>LATCF</u>	<u>Cemetery</u>	<u>Tierra Amarilla Gas Line</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 764,752	\$ 6,000,000	\$ 13,381	\$ 300,000
Investments	-	-	-	-
Receivables:				
Taxes receivable	-	-	-	-
Due from other governments	71,957	-	-	-
<i>Total assets</i>	<u>\$ 836,709</u>	<u>\$ 6,000,000</u>	<u>\$ 13,381</u>	<u>\$ 300,000</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	6,000,000	-	-
<i>Total liabilities</i>	<u>-</u>	<u>6,000,000</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue - loan receivable	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	13,381	-
Public safety	-	-	-	-
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	836,709	-	-	-
Capital improvements	-	-	-	300,000
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>836,709</u>	<u>-</u>	<u>13,381</u>	<u>300,000</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 836,709</u>	<u>\$ 6,000,000</u>	<u>\$ 13,381</u>	<u>\$ 300,000</u>

See independent auditors' report.

**Capital Projects**

<b>Senior Appropriations Capital Projects</b>	<b>Landfill Closure</b>	<b>Fire District Bond Fund</b>	<b>EMS Bond Fund</b>	<b>2020 GO Bonds Fund</b>
\$ -	\$ 139,152	\$ 821,256	\$ 44,357	\$ 365,402
-	-	50,000	-	-
-	-	-	-	-
332,064	336,205	-	-	-
<u>\$ 332,064</u>	<u>\$ 475,357</u>	<u>\$ 871,256</u>	<u>\$ 44,357</u>	<u>\$ 365,402</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
333,263	-	-	-	-
-	-	-	-	-
<u>333,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	336,205	-	-	-
-	336,205	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	365,402
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	139,152	871,256	44,357	-
(1,199)	-	-	-	-
<u>(1,199)</u>	<u>139,152</u>	<u>871,256</u>	<u>44,357</u>	<u>365,402</u>
<u>\$ 332,064</u>	<u>\$ 475,357</u>	<u>\$ 871,256</u>	<u>\$ 44,357</u>	<u>\$ 365,402</u>

See independent auditors' report.

**RIO ARRIBA COUNTY**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2023

**Capital Projects**

	<b>Nursing Home Bond</b>	<b>PPRF-5643 Series 2021 GO Bonds</b>	<b>Regional Strategic Projects</b>	<b>CDBG</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 1,446,661	\$ 2,411,795	\$ -	\$ 56,298
Investments	-	-	-	-
Receivables:				
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
<i>Total assets</i>	<u>\$ 1,446,661</u>	<u>\$ 2,411,795</u>	<u>\$ -</u>	<u>\$ 56,298</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue - loan receivable	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Public safety	-	-	-	-
County roads	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital improvements	1,446,661	2,411,795	-	56,298
Debt service	-	-	-	-
Assigned to:				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>1,446,661</u>	<u>2,411,795</u>	<u>-</u>	<u>56,298</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,446,661</u>	<u>\$ 2,411,795</u>	<u>\$ -</u>	<u>\$ 56,298</u>

See independent auditors' report.

<b>Capital Projects</b>		<b>Debt Service</b>				
<b>Legislative Appropriations</b>	<b>Reserve Accounts</b>	<b>Alcalde Transfer Station Reserve</b>	<b>Debt Service PPRF-5142</b>	<b>Wastewater CWSRF 054</b>	<b>Total Nonmajor Governmental Funds</b>	
\$ -	\$ 607,825	\$ 34,040	\$ 3,795,931	\$ -	\$ 35,617,820	
-	-	-	-	-	1,800,000	
-	-	-	126,828	-	722,500	
533,145	-	-	-	-	2,233,369	
<u>\$ 533,145</u>	<u>\$ 607,825</u>	<u>\$ 34,040</u>	<u>\$ 3,922,759</u>	<u>\$ -</u>	<u>\$ 40,373,689</u>	
\$ 851	\$ -	\$ -	\$ -	\$ -	\$ 93,906	
-	-	-	-	-	93,840	
530,687	-	-	-	-	1,404,997	
-	-	-	-	-	9,564,308	
531,538	-	-	-	-	11,157,051	
-	-	-	-	-	336,205	
-	-	-	-	-	336,205	
-	-	-	-	-	1,786,947	
-	-	-	-	-	11,519,967	
-	-	-	-	-	3,198,170	
-	-	-	-	-	293,424	
-	-	-	-	-	1,861,924	
-	-	-	-	-	4,580,156	
-	607,825	34,040	3,922,759	-	4,564,624	
-	-	-	-	-	32,553	
1,607	-	-	-	-	1,056,372	
-	-	-	-	-	(13,704)	
1,607	607,825	34,040	3,922,759	-	28,880,433	
<u>\$ 533,145</u>	<u>\$ 607,825</u>	<u>\$ 34,040</u>	<u>\$ 3,922,759</u>	<u>\$ -</u>	<u>\$ 40,373,689</u>	

See independent auditors' report.

**RIO ARRIBA COUNTY**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2023

	<b>Special Revenue</b>			
	<b>Corrections / Jail Operations</b>	<b>Environmental</b>	<b>County Property Valuation</b>	<b>County Road</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ 213,105	\$ -
Gross receipts	-	455,853	-	-
Gasoline and motor vehicle	-	-	-	542,993
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	706,271
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	776,902
Charges for services	25,969	-	-	-
Licenses and fees	-	-	-	25,432
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	50	-
<b>Total revenues</b>	<b>25,969</b>	<b>455,853</b>	<b>213,155</b>	<b>2,051,598</b>
<i>Expenditures</i>				
Current:				
General government	-	-	160,395	-
Public safety	18,764	-	-	-
Public works	-	-	-	1,314,871
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	58,269
Debt service:				
Principal	-	254,142	-	-
Interest	-	76,393	-	-
<b>Total expenditures</b>	<b>18,764</b>	<b>330,535</b>	<b>160,395</b>	<b>1,373,140</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>7,205</b>	<b>125,318</b>	<b>52,760</b>	<b>678,458</b>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	2,811	-	600,000
Transfers (out)	-	(2,811)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600,000</b>
<b>Net change in fund balances</b>	<b>7,205</b>	<b>125,318</b>	<b>52,760</b>	<b>1,278,458</b>
<i>Fund balances - beginning of year</i>	<b>-</b>	<b>601,806</b>	<b>302,371</b>	<b>582,712</b>
<b>Fund balances - end of year</b>	<b>\$ 7,205</b>	<b>\$ 727,124</b>	<b>\$ 355,131</b>	<b>\$ 1,861,170</b>

See independent auditors' report.

**Special Revenue**

<b>Emergency Communication /EMS</b>	<b>Farm &amp; Range Improvement</b>	<b>Law Enforcement Protection</b>	<b>Lodgers' Tax</b>	<b>Recreation</b>
\$ -	\$ -	\$ -	\$ -	\$ -
1,759,908	-	-	-	-
-	-	-	-	-
-	-	-	141,509	-
-	4,544	-	-	-
-	-	-	-	-
-	-	590,000	-	-
-	-	-	-	-
-	-	-	-	-
(56,351)	-	-	-	-
-	-	2,356	-	-
<u>1,703,557</u>	<u>4,544</u>	<u>592,356</u>	<u>141,509</u>	<u>-</u>
-	-	-	-	-
881,480	-	569,831	-	-
-	-	-	-	-
-	-	-	129,444	32
-	37,193	-	-	-
445,125	-	29,815	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,326,605</u>	<u>37,193</u>	<u>599,646</u>	<u>129,444</u>	<u>32</u>
<u>376,952</u>	<u>(32,649)</u>	<u>(7,290)</u>	<u>12,065</u>	<u>(32)</u>
-	-	-	-	-
-	36,100	-	-	-
-	-	-	-	-
<u>-</u>	<u>36,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
376,952	3,451	(7,290)	12,065	(32)
<u>2,198,259</u>	<u>-</u>	<u>-</u>	<u>201,713</u>	<u>498</u>
<u>\$ 2,575,211</u>	<u>\$ 3,451</u>	<u>\$ (7,290)</u>	<u>\$ 213,778</u>	<u>\$ 466</u>

See independent auditors' report.

**RIO ARRIBA COUNTY**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2023

	<b>Special Revenue</b>			
	<b>Senior Citizen Program</b>	<b>County Fire Protection</b>	<b>DWI Program</b>	<b>Clerk Recording &amp; Filing</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	902,844	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	366,094	-	12,475	-
Federal capital grants	-	-	-	-
State operating grants	635,180	-	1,387,600	-
State capital grants	-	-	-	-
Charges for services	-	-	-	105,722
Licenses and fees	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	20,112	-	18,588	-
<i>Total revenues</i>	<u>1,021,386</u>	<u>902,844</u>	<u>1,418,663</u>	<u>105,722</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	53,074
Public safety	-	102,507	1,300,793	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,479,610	-	-	-
Capital outlay	-	-	7,880	31,086
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,479,610</u>	<u>102,507</u>	<u>1,308,673</u>	<u>84,160</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(458,224)</u>	<u>800,337</u>	<u>109,990</u>	<u>21,562</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	21,927	-	-	-
Transfers in	610,938	-	22,440	-
Transfers (out)	-	-	(193,830)	-
<i>Total other financing sources (uses)</i>	<u>632,865</u>	<u>-</u>	<u>(171,390)</u>	<u>-</u>
<i>Net change in fund balances</i>	174,641	800,337	(61,400)	21,562
<i>Fund balances - beginning of year</i>	<u>496,750</u>	<u>4,030,344</u>	<u>200,302</u>	<u>553,599</u>
<i>Fund balances - end of year</i>	<u>\$ 671,391</u>	<u>\$ 4,830,681</u>	<u>\$ 138,902</u>	<u>\$ 575,161</u>

See independent auditors' report.

**Special Revenue**

<b>Fire Department Funds</b>	<b>EMS Funds</b>	<b>New Mexico State Library</b>	<b>HUD Rural Capacity Building</b>	<b>Economic Development</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,382,018	86,161	14,647	-	-
-	-	-	-	-
-	-	-	-	-
1	-	-	-	-
200	-	-	-	1,506
<u>3,382,219</u>	<u>86,161</u>	<u>14,647</u>	<u>-</u>	<u>1,506</u>
-	-	-	-	75,000
1,319,484	86,911	-	-	-
-	-	-	-	-
-	-	14,647	-	-
-	-	-	-	-
915,482	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,234,966</u>	<u>86,911</u>	<u>14,647</u>	<u>-</u>	<u>75,000</u>
<u>1,147,253</u>	<u>(750)</u>	<u>-</u>	<u>-</u>	<u>(73,494)</u>
32	-	-	-	-
-	-	-	-	-
<u>(163,996)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,750)</u>
<u>(163,964)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,750)</u>
983,289	(750)	-	-	(77,244)
<u>2,865,864</u>	<u>64,112</u>	<u>-</u>	<u>29,180</u>	<u>109,797</u>
<u>\$ 3,849,153</u>	<u>\$ 63,362</u>	<u>\$ -</u>	<u>\$ 29,180</u>	<u>\$ 32,553</u>

See independent auditors' report.

**RIO ARRIBA COUNTY**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2023

	<b>Special Revenue</b>			
	<b>Low Rider Museum</b>	<b>Forest Reserve</b>	<b>Census Grant</b>	<b>Sheriff's Grants</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	134,505	66,553
Federal capital grants	-	-	-	610,504
State operating grants	-	-	-	29,767
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>134,505</u>	<u>706,824</u>
<i>Expenditures</i>				
Current:				
General government	-	-	134,505	-
Public safety	-	-	-	266,924
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	385,927
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>134,505</u>	<u>652,851</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,973</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(8,266)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,266)</u>
<i>Net change in fund balances</i>	-	-	-	45,707
<i>Fund balances - beginning of year</i>	<u>50,000</u>	<u>1,337,000</u>	<u>-</u>	<u>9,746</u>
<i>Fund balances - end of year</i>	<u>\$ 50,000</u>	<u>\$ 1,337,000</u>	<u>\$ -</u>	<u>\$ 55,453</u>

See independent auditors' report.

**Special Revenue**

<b>Health and Social Services</b>	<b>DWI NMYCC Program</b>	<b>Behavioral Health</b>	<b>Inmate Evercom Phone</b>	<b>ARPA Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	866,079	-	340,295
-	-	-	-	-
117,504	89,835	257,044	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,000	169,516	149,337	42,671	-
<u>122,504</u>	<u>259,351</u>	<u>1,272,460</u>	<u>42,671</u>	<u>340,295</u>
-	-	-	-	-
-	211,973	-	12,976	1,097,895
-	-	-	-	-
-	-	-	-	-
267,346	-	1,176,731	-	-
-	45,912	86,698	-	15,569
-	-	-	-	-
-	-	-	-	-
<u>267,346</u>	<u>257,885</u>	<u>1,263,429</u>	<u>12,976</u>	<u>1,113,464</u>
<u>(144,842)</u>	<u>1,466</u>	<u>9,031</u>	<u>29,695</u>	<u>(773,169)</u>
-	-	-	-	-
47,893	-	-	-	-
<u>(368,598)</u>	<u>(98,521)</u>	<u>(255,681)</u>	<u>-</u>	<u>-</u>
<u>(320,705)</u>	<u>(98,521)</u>	<u>(255,681)</u>	<u>-</u>	<u>-</u>
(465,547)	(97,055)	(246,650)	29,695	(773,169)
<u>533,994</u>	<u>91,840</u>	<u>528,576</u>	<u>86,455</u>	<u>773,169</u>
<u>\$ 68,447</u>	<u>\$ (5,215)</u>	<u>\$ 281,926</u>	<u>\$ 116,150</u>	<u>\$ -</u>

See independent auditors' report.

**RIO ARRIBA COUNTY**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2023

	<u>Special Revenue</u>			<u>Capital Projects</u>
	<u>LG Abatement Opioid</u>	<u>LATCF</u>	<u>Cemetery</u>	<u>Tierra Amarilla Gas Line</u>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	836,709	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	2,750	-
Licenses and fees	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>836,709</u>	<u>-</u>	<u>2,750</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>836,709</u>	<u>-</u>	<u>2,750</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	836,709	-	2,750	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,631</u>	<u>300,000</u>
<i>Fund balances - end of year</i>	<u>\$ 836,709</u>	<u>\$ -</u>	<u>\$ 13,381</u>	<u>\$ 300,000</u>

See independent auditors' report.

**Capital Projects**

<b>Senior Appropriations Capital Projects</b>	<b>Landfill Closure</b>	<b>Fire District Bond Fund</b>	<b>EMS Bond Fund</b>	<b>2020 GO Bonds Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
332,064	-	-	-	-
-	-	-	-	-
-	-	-	-	24,614
-	-	-	-	-
<u>332,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,614</u>
-	-	-	-	580,028
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,199	-	-	-	-
332,064	-	-	-	1,435,212
-	-	-	-	-
-	-	-	-	-
<u>333,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,015,240</u>
<u>(1,199)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,990,626)</u>
-	-	-	-	-
-	-	100,499	-	-
<u>(11,679)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(164,806)</u>
<u>(11,679)</u>	<u>-</u>	<u>100,499</u>	<u>-</u>	<u>(164,806)</u>
(12,878)	-	100,499	-	(2,155,432)
<u>11,679</u>	<u>139,152</u>	<u>770,757</u>	<u>44,357</u>	<u>2,520,834</u>
<u>\$ (1,199)</u>	<u>\$ 139,152</u>	<u>\$ 871,256</u>	<u>\$ 44,357</u>	<u>\$ 365,402</u>

See independent auditors' report.

**RIO ARRIBA COUNTY**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2023

	<b>Capital Projects</b>			
	<b>Nursing Home Bond</b>	<b>PPRF-5643 Series 2021 GO Bonds</b>	<b>Regional Strategic Projects</b>	<b>CDBG</b>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	270,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income (loss)	-	60,035	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>60,035</u>	<u>270,000</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	270,000	2,062
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	694,731	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>694,731</u>	<u>270,000</u>	<u>2,062</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(634,696)</u>	<u>-</u>	<u>(2,062)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	58,360
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,360</u>
<i>Net change in fund balances</i>	-	(634,696)	-	56,298
<i>Fund balances - beginning of year</i>	<u>1,446,661</u>	<u>3,046,491</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 1,446,661</u>	<u>\$ 2,411,795</u>	<u>\$ -</u>	<u>\$ 56,298</u>

See independent auditors' report.

<u>Capital Projects</u>	<u>Debt Service</u>				<u>Total Nonmajor Governmental Funds</u>
<u>Legislative Appropriations</u>	<u>Reserve Accounts</u>	<u>Alcalde Transfer Station Reserve</u>	<u>Debt Service PPRF-5142</u>	<u>Wastewater CWSRF 054</u>	
\$ -	\$ -	\$ -	\$ 2,548,567	\$ -	\$ 2,761,672
-	-	-	-	-	3,118,605
-	-	-	1,889,081	-	2,432,074
-	-	-	-	-	141,509
-	-	-	-	-	3,333,525
-	-	-	-	-	610,504
-	-	-	-	-	6,859,756
991,204	-	-	-	-	2,100,170
-	-	-	-	-	134,441
-	-	-	-	-	25,432
-	16,597	-	409	-	45,305
-	-	-	-	-	409,336
<u>991,204</u>	<u>16,597</u>	<u>-</u>	<u>4,438,057</u>	<u>-</u>	<u>21,972,329</u>
408,239	-	-	-	-	1,683,303
-	-	-	-	-	5,869,538
-	-	-	-	-	1,314,871
-	-	-	-	-	144,123
-	-	-	-	-	2,962,079
581,359	-	-	-	-	5,065,129
-	266,897	-	410,000	23,417	954,456
-	200,553	-	623,266	26,668	926,880
<u>989,598</u>	<u>467,450</u>	<u>-</u>	<u>1,033,266</u>	<u>50,085</u>	<u>18,920,379</u>
<u>1,606</u>	<u>(450,853)</u>	<u>-</u>	<u>3,404,791</u>	<u>(50,085)</u>	<u>3,051,950</u>
-	-	-	-	-	21,959
-	350,829	-	-	50,085	1,879,955
<u>(1,182,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,454,277)</u>
<u>(1,182,339)</u>	<u>350,829</u>	<u>-</u>	<u>-</u>	<u>50,085</u>	<u>(552,363)</u>
(1,180,733)	(100,024)	-	3,404,791	-	2,499,587
<u>1,182,340</u>	<u>707,849</u>	<u>34,040</u>	<u>517,968</u>	<u>-</u>	<u>26,380,846</u>
<u>\$ 1,607</u>	<u>\$ 607,825</u>	<u>\$ 34,040</u>	<u>\$ 3,922,759</u>	<u>\$ -</u>	<u>\$ 28,880,433</u>

See independent auditors' report.

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## **SUPPORTING SCHEDULES**

**RIO ARRIBA COUNTY**  
Schedule of Deposit and Investment Accounts  
June 30, 2023

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<b>New Mexico Bank and Trust</b>					
Operating	Checking	\$ 15,626,431	\$ -	\$ 2,359,033	\$ 13,267,398
Treasurer	Checking	722,487	-	-	722,487
Inmate Trust Account	Checking	58,986	105	18,597	40,494
Savings	Savings	32,338,881	-	-	32,338,881
Certificate of Deposit	CD	1,426,342	-	-	1,426,342
<i>Total New Mexico Bank and Trust</i>		<u>50,173,127</u>	<u>105</u>	<u>2,377,630</u>	<u>47,795,602</u>
<b>Washington Federal</b>					
Certificate of Deposit	CD	313,933	-	-	313,933
<i>Total Washington Federal</i>		<u>313,933</u>	<u>-</u>	<u>-</u>	<u>313,933</u>
<b>Mesirow Financial</b>					
Investment	Money Market	110,549	-	-	110,549
Investment	Fixed Income	9,743,082	-	-	9,743,082
<i>Total Mesirow Financial</i>		<u>9,853,631</u>	<u>-</u>	<u>-</u>	<u>9,853,631</u>
<b>Moreton</b>					
Investment	Money Market	374,271	-	-	374,271
Investment	Fixed Income	9,605,618	-	-	9,605,618
<i>Total Moreton</i>		<u>9,979,889</u>	<u>-</u>	<u>-</u>	<u>9,979,889</u>
<i>Bank balance of deposits</i>		<u>\$ 70,320,580</u>	<u>\$ 105</u>	<u>\$ 2,377,630</u>	<u>\$ 67,943,055</u>
<b>New Mexico Finance Authority</b>					
PPRF-2687 Debt Service	Cash equiv.	\$ 269,595	\$ -	\$ -	\$ 269,595
PPRF-3774 Debt Service	Cash equiv.	338	-	-	338
PPRF-4892 Debt Service	Cash equiv.	7,005	-	-	7,005
PPRF-4892 Reserve Funds	Cash equiv.	385,501	-	-	385,501
PPRF-4974 Program Funds	Cash equiv.	264	-	-	264
PPRF-4975 Program Funds	Cash equiv.	392	-	-	392
PPRF-5142 Program Funds	Cash equiv.	365,402	-	-	365,402
PPRF-5142 Program Funds	Cash equiv.	277	-	-	277
PPRF-5246 Program Funds	Cash equiv.	290	-	-	290
PPRF-5257 Debt Service	Cash equiv.	426	-	-	426
PPRF-5834 Program Funds	Cash equiv.	13,179,712	-	-	13,179,712
PPRF-5834 Debt Service	Cash equiv.	112	-	-	112
PPRF-5643 Program Funds	Cash equiv.	2,421,324	-	-	2,421,324
<i>Total New Mexico Finance Authority</i>		<u>16,630,638</u>	<u>-</u>	<u>-</u>	<u>16,630,638</u>

See independent auditors' report.

<u>Bank Name/Account Name</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Book Balance</u>
<b>State of New Mexico LGIP</b>					
LGIP	Investment	\$ 5,790,005	\$ -	\$ -	\$ 5,790,005
<i>Total State of New Mexico LGIP</i>		<u>5,790,005</u>	<u>-</u>	<u>-</u>	<u>5,790,005</u>
<i>Total investments</i>		<u>22,420,643</u>	<u>-</u>	<u>-</u>	<u>22,420,643</u>
<i>Total deposits and investments</i>		<u>\$ 92,741,223</u>	<u>\$ 105</u>	<u>\$ 2,377,630</u>	<u>\$ 90,363,698</u>

## Deposits and investments per financial statements:

Cash and cash equivalents - Exhibit A-1	\$ 79,013,755
Investments - Exhibit A-1	6,103,938
Restricted cash and cash equivalents - Exhibit A-1	4,493,782
Fiduciary funds cash - Exhibit E-1	<u>752,223</u>
<i>Total cash, cash equivalents, and investments</i>	<u>\$ 90,363,698</u>

See independent auditors' report.

**RIO ARRIBA COUNTY**  
Schedule of Collateral Pledged by Depository  
For Public Funds  
June 30, 2023

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2023
<b>New Mexico Bank and Trust</b>				
	FNMA Pool #CA3765	6/1/2034	3140QBFF0	\$ 1,448,422
	FHLMC Pool #G61900	2/1/2049	31335CDD3	2,395,228
	FNMA Pool #BF0423	2/1/2049	3140FXPH9	5,170,439
	FNMA Pool #BF0485	1/1/2050	3140FXRF1	54,636
	FNMA Pool #BF0141	9/1/2056	3140FXEP3	1,150,166
	FNMA Pool #BF0141	9/1/2056	3140FXEP3	421,869
	FNMA Pool #BF0141	9/1/2056	3140FXEP3	856,446
	FNMA Pool #BF0273	5/1/2058	3140FXJT0	5,472,137
	FNMA Pool #AM4522	10/1/2024	3138L5AY6	516,501
	FNMA Pool #BL3489	8/1/2029	3140HU2X3	2,921,516
	FNMA Pool #BS2352	12/1/2037	3140LCTJ0	105,728
	GNR 2006-10 ZT	3/20/2036	38374MYT0	3,314,893
	GNR 2018-40 Z	1/20/2048	38380V4X6	1,736,099
	FNR 2019-27 DZ	6/25/2049	3136B4VF2	2,207,725
	SCRT 2018-1 M45C	5/25/2057	35563PEE5	2,667,629
	SCRT 2017-4 MT	6/25/2057	35563PCM9	3,585,899
	SCRT 2017-4 HT	6/25/2057	35563PDD8	1,422,959
	SCRT 2018-2- HA	11/25/2057	35563PF80	685,475
	SCRT 2020-3 MA	5/25/2060	35563PCS4	1,664,262
	SCRT 2021-1 TT	9/25/2060	35563PVZ9	7,664,818
	SCRT 2021-2 MA	11/25/2060	35563P2N6	6,364,513
<i>Total New Mexico Bank and Trust</i>				<u>51,827,360</u>

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

**Washington Federal**

	FNMA PL#BC2636	11/1/2046	3140EW4W2	67,797
<i>Total Washington Federal</i>				<u>67,797</u>

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

*Total Pledged Collateral* \$ 51,895,157

See independent auditors' report.

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**RIO ARRIBA COUNTY**  
County Treasurer's Ten Year Property Tax Schedule  
For the year ended June 30, 2023

	<u>Property Taxes Levied</u>	<u>Adjustments to Taxes Collected to Date</u>	<u>Taxes Collected Current year</u>	<u>Taxes Collected to Date</u>
<b>State Debt Service</b>				
2013	1,115,526	(13,639)	981	1,084,894
2014	1,187,511	(9,038)	1,315	1,157,795
2015	1,137,478	5,415	1,546	1,124,002
2016	1,164,359	8,199	2,587	1,151,366
2017	1,146,147	(6,511)	2,614	1,119,116
2018	1,279,354	(117,353)	3,981	1,129,835
2019	1,173,375	(8,110)	8,182	1,136,176
2020	1,297,038	(102,924)	25,450	1,157,244
2021	1,229,704	(769)	71,128	1,168,035
2022	1,284,865	10,159	1,123,915	1,123,915
	<u>\$ 12,015,357</u>	<u>\$ (234,571)</u>	<u>\$ 1,241,699</u>	<u>\$ 11,352,377</u>
<b>County Operating</b>				
2013	5,677,306	(21,919)	3,877	5,589,494
2014	5,760,860	(27,737)	4,257	5,677,729
2015	5,763,596	92,526	6,715	5,792,234
2016	5,874,727	115,218	9,288	5,916,652
2017	6,038,070	(27,931)	11,224	5,938,773
2018	7,267,071	(1,000,580)	17,017	6,103,233
2019	6,376,494	(60,496)	37,100	6,200,113
2020	6,644,199	(753,747)	121,093	5,742,394
2021	6,379,656	8,265	345,963	6,115,526
2022	7,103,862	92,521	6,243,612	6,243,612
	<u>\$ 62,885,841</u>	<u>\$ (1,583,880)</u>	<u>\$ 6,800,146</u>	<u>\$ 59,319,759</u>
<b>County Debt Service</b>				
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	174,083	(14,130)	3,452	155,685
2021	611,573	397	35,055	584,127
2022	2,887,249	23,936	2,535,802	2,535,802
	<u>\$ 3,672,905</u>	<u>\$ 10,204</u>	<u>\$ 2,574,310</u>	<u>\$ 3,275,614</u>

<u>Taxes Distributed Current Year</u>	<u>Taxes Distributed To Date</u>	<u>County Taxes Receivable at Year End</u>
990	1,084,812	16,994
1,320	1,157,657	20,679
1,582	1,123,878	18,891
2,695	1,151,230	21,192
2,758	1,118,957	20,520
4,386	1,129,366	32,165
11,165	1,135,264	29,089
24,532	1,152,112	36,870
80,400	1,160,976	60,900
1,108,092	1,102,235	171,109
<b>\$ 1,237,920</b>	<b>\$ 11,316,485</b>	<b>\$ 428,409</b>
4,190	5,589,177	65,894
4,556	5,677,224	55,394
7,108	5,791,766	63,887
10,067	5,916,204	73,294
12,194	5,938,209	71,367
19,322	6,101,289	163,258
50,034	6,195,123	115,884
115,536	5,718,027	148,058
394,827	6,080,336	272,396
6,163,340	6,131,547	952,771
<b>\$ 6,781,174</b>	<b>\$ 59,138,904</b>	<b>\$ 1,982,202</b>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
3,316	154,982	4,269
39,742	580,573	27,843
2,499,599	2,486,307	375,383
<b>\$ 2,542,657</b>	<b>\$ 3,221,862</b>	<b>\$ 407,495</b>

**RIO ARRIBA COUNTY**  
 County Treasurer's Ten Year Property Tax Schedule  
 For the year ended June 30, 2023

**Municipalities**

	<u>Property Taxes Levied</u>	<u>Adjustments to Taxes Collected to Date</u>	<u>Taxes Collected Current year</u>	<u>Taxes Collected to Date</u>
<b>Village of Chama</b>				
2013	89,343	(467)	-	88,505
2014	93,025	(101)	59	92,479
2015	98,797	17	78	98,312
2016	99,390	(196)	104	98,642
2017	102,992	(643)	202	101,386
2018	109,230	(206)	700	107,871
2019	113,858	(280)	1,804	111,539
2020	117,845	(246)	3,770	114,859
2021	121,481	(23)	10,319	115,505
2022	134,495	1,684	110,473	110,473
	<u>\$ 1,080,456</u>	<u>\$ (460)</u>	<u>\$ 127,510</u>	<u>\$ 1,039,570</u>
<b>City of Espanola</b>				
2013	475,248	(7,141)	294	461,838
2014	489,511	(12,431)	351	474,377
2015	544,347	(7,146)	764	534,136
2016	553,183	(2,298)	1,133	547,504
2017	579,037	(5,351)	1,491	569,559
2018	619,526	(2,481)	1,747	611,592
2019	669,414	(13,542)	3,404	648,195
2020	694,853	(1,119)	23,073	681,008
2021	736,259	(4,843)	50,399	701,835
2022	777,367	(5,477)	693,506	693,506
	<u>\$ 6,138,745</u>	<u>\$ (61,828)</u>	<u>\$ 776,162</u>	<u>\$ 5,923,551</u>

<u>Taxes Distributed Current Year</u>	<u>Taxes Distributed To Date</u>	<u>County Taxes Receivable at Year End</u>
-	88,505	370
59	92,479	446
78	98,312	502
104	98,642	552
191	101,375	963
696	107,845	1,153
1,779	111,189	2,039
3,476	113,840	2,741
10,447	114,066	5,954
108,829	104,886	25,705
<u>\$ 125,660</u>	<u>\$ 1,031,141</u>	<u>\$ 40,426</u>
251	461,784	6,269.49
305	474,320	2,703
715	534,076	3,064
1,223	547,482	3,381
1,524	569,538	4,128
1,848	611,562	5,453
3,862	647,911	7,676
20,440	677,022	12,727
66,185	697,751	29,581
682,996	681,441	78,384
<u>\$ 779,350</u>	<u>\$ 5,902,886</u>	<u>\$ 153,366</u>

**RIO ARRIBA COUNTY**  
 County Treasurer's Ten Year Property Tax Schedule  
 For the year ended June 30, 2023

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>	<b>Taxes Collected to Date</b>
<b>Mesa Vista SD#6</b>				
2013	246,687	(942)	104	238,766
2014	237,709	(1,092)	332	230,068
2015	289,061	547	510	280,397
2016	289,701	(2,131)	856	277,979
2017	206,733	1,200	604	203,412
2018	268,327	(3,455)	1,455	258,280
2019	279,399	(429)	2,680	271,347
2020	257,999	(11,683)	6,359	238,513
2021	300,849	(2,814)	21,782	284,724
2022	266,569	(3,229)	232,192	232,192
	<b>\$ 2,643,033</b>	<b>\$ (24,027)</b>	<b>\$ 266,874</b>	<b>\$ 2,515,678</b>

**Chama Valley Schools #19**

2013	1,275,053	(13,356)	1,321	1,248,370
2014	1,278,349	(17,870)	1,504	1,247,120
2015	1,501,846	(14,143)	2,068	1,470,048
2016	1,719,268	(9,850)	2,602	1,685,951
2017	1,614,901	(16,864)	3,063	1,577,158
2018	1,536,332	(10,533)	4,315	1,501,961
2019	802,310	(2,880)	4,692	783,460
2020	896,238	(242,327)	9,801	637,394
2021	903,087	(955)	54,649	861,555
2022	849,512	1,440	745,569	745,569
	<b>\$ 12,376,895</b>	<b>\$ (327,338)</b>	<b>\$ 829,583</b>	<b>\$ 11,758,587</b>

**Dulce Independent #21**

2013	999,423	18,418	189	1,013,884
2014	894,579	16,682	175	907,384
2015	1,374,204	44,328	329	1,411,667
2016	2,382,362	129,634	1,277	2,497,822
2017	1,509,746	798	1,161	1,501,872
2018	818,816	13,847	247	761,191
2019	744,935	9,716	687	748,165
2020	1,109,734	(9,518)	4,119	1,082,318
2021	1,508,677	70,945	32,206	1,546,572
2022	256,187	24,348	270,478	270,478
	<b>\$ 11,598,664</b>	<b>\$ 319,199</b>	<b>\$ 310,869</b>	<b>\$ 11,741,353</b>

<u>Taxes Distributed Current Year</u>	<u>Taxes Distributed To Date</u>	<u>County Taxes Receivable at Year End</u>
104	238,766	6,980
332	230,068	6,550
510	280,397	9,210
856	277,979	9,592
948	203,412	4,520
2,068	258,280	6,592
3,618	271,347	7,623
6,645	237,703	7,803
22,793	283,044	13,311
229,388	228,224	31,147
<b>\$ 267,261</b>	<b>\$ 2,509,219</b>	<b>\$ 103,327</b>
1,321	1,248,370	13,327
1,481	1,247,098	13,358
2,065	1,470,044	17,656
2,576	1,685,902	23,466
2,934	1,577,022	20,878
4,165	1,501,457	23,838
4,587	781,986	15,970
8,978	634,703	16,516
57,650	854,071	40,577
735,459	728,358	105,383
<b>\$ 821,216</b>	<b>\$ 11,729,010</b>	<b>\$ 290,970</b>
189	1,013,884	3,957
234	907,384	3,877
340	1,411,556	6,866
1,292	2,497,822	14,174.52
1,185	1,501,872	8,672.01
254	761,191	71,473.17
995	748,165	6,485.83
3,030	1,080,927	17,898.24
32,884	1,544,211	33,049
270,349	270,309	10,057
<b>\$ 310,751</b>	<b>\$ 11,737,322</b>	<b>\$ 176,510</b>

**RIO ARRIBA COUNTY**  
 County Treasurer's Ten Year Property Tax Schedule  
 For the year ended June 30, 2023

	<u>Property Taxes Levied</u>	<u>Adjustments to Taxes Collected to Date</u>	<u>Taxes Collected Current year</u>	<u>Taxes Collected to Date</u>
<b>Penasco #32</b>				
2013	23,253	(394)	-	22,387
2014	22,602	(406)	-	21,744
2015	22,613	(60)	-	22,088
2016	23,057	57	-	22,640
2017	25,225	(3)	-	24,727
2018	23,593	2,531	-	25,689
2019	27,249	-	84	26,702
2020	22,169	(155)	350	21,390
2021	26,585	3,210	2,185	28,736
2022	29,555	727	26,720	26,720
	<u>\$ 245,901</u>	<u>\$ 5,507</u>	<u>\$ 29,339</u>	<u>\$ 242,824</u>
<b>Espanola #55</b>				
2013	3,674,126	(45,966)	4,114	3,587,474
2014	3,308,532	(44,868)	3,581	3,231,077
2015	3,599,780	3,761	6,371	3,563,390
2016	4,624,070	14,820	10,891	4,581,401
2017	3,853,313	(27,086)	11,711	3,770,744
2018	3,512,588	(8,637)	15,216	3,442,143
2019	3,641,423	(27,549)	30,857	3,535,027
2020	4,038,933	(14,159)	109,062	3,909,036
2021	3,700,009	(9,572)	229,809	3,502,096
2022	3,722,370	(5,048)	3,278,973	3,278,973
	<u>\$ 37,675,145</u>	<u>\$ (164,304)</u>	<u>\$ 3,700,584</u>	<u>\$ 36,401,361</u>
<b>Jemez Mtn #53</b>				
2013	276,660	3,225	148	276,926
2014	172,627	6,121	86	177,010
2015	191,226	10,093	95	199,376
2016	205,846	8,103	104	211,444
2017	214,453	2,053	122	214,170
2018	430,384	(210,136)	432	217,375
2019	231,361	(5,838)	1,009	222,051
2020	234,399	(6,397)	3,089	223,263
2021	38,888	(472)	1,423	37,372
2022	45,993	1,578	35,162	35,162
	<u>\$ 2,041,835</u>	<u>\$ (191,670)</u>	<u>\$ 41,668</u>	<u>\$ 1,814,150</u>

<u>Taxes Distributed Current Year</u>	<u>Taxes Distributed To Date</u>	<u>County Taxes Receivable at Year End</u>
-	22,387	472
-	21,744	452
-	22,088	465
-	22,640	474
-	24,727	495
-	25,689	435
120	26,702	548
312	21,290	624
2,095	28,571	1,060
26,519	26,225	3,561
<b>\$ 29,047</b>	<b>\$ 242,064</b>	<b>\$ 8,584</b>
4,164	3,586,988	40,687
3,584	3,230,378	32,587
6,548	3,562,743	40,151
11,688	4,580,470	57,489
12,249	3,769,896	55,483
16,878	3,439,997	61,808
42,555	3,532,128	78,847
104,947	3,888,442	115,739
270,558	3,480,706	188,341
3,221,910	3,206,036	438,348
<b>\$ 3,695,081</b>	<b>\$ 36,277,783</b>	<b>\$ 1,109,480</b>
148	276,926	2,958
86	177,010	1,738
95	199,376	1,943
104	211,444	2,504.59
122	214,170	2,336
435	217,369	2,872
2,009	222,044	3,472
3,175	222,575	4,739
1,518	37,215	1,044
34,897	34,834	12,409
<b>\$ 42,588</b>	<b>\$ 1,812,963</b>	<b>\$ 36,016</b>

**RIO ARRIBA COUNTY**  
 County Treasurer's Ten Year Property Tax Schedule  
 For the year ended June 30, 2023

	<u>Property Taxes Levied</u>	<u>Adjustments to Taxes Collected to Date</u>	<u>Taxes Collected Current year</u>	<u>Taxes Collected to Date</u>
<b>Hospital</b>				
2013	3,341,384	(20,732)	3,067	3,284,602
2014	3,383,296	(18,564)	3,239	3,330,812
2015	3,416,703	25,117	4,825	3,403,050
2016	3,463,909	35,249	6,380	3,454,904
2017	3,477,467	(16,162)	8,158	3,415,165
2018	3,895,326	(364,159)	12,268	3,448,724
2019	3,564,357	(24,705)	25,013	3,468,809
2020	3,699,818	(273,421)	74,708	3,333,812
2021	3,745,226	2,432	214,675	3,577,149
2022	3,910,391	32,419	3,434,404	3,434,404
	<u>\$ 35,897,876</u>	<u>\$ (622,527)</u>	<u>\$ 3,786,735</u>	<u>\$ 34,151,430</u>
<b>Chama SWCD</b>				
2013	111,876	(1,292)	142	109,269
2014	114,698	(1,359)	149	111,993
2015	117,268	(1,333)	173	114,412
2016	119,735	(769)	189	117,156
2017	119,710	(1,338)	220	116,759
2018	124,367	(1,123)	244	121,193
2019	125,854	(466)	466	122,848
2020	197,710	(68,986)	1,458	125,263
2021	138,785	(307)	7,559	132,053
2022	145,079	(26)	128,478	128,478
	<u>\$ 1,315,081</u>	<u>\$ (76,999)</u>	<u>\$ 139,079</u>	<u>\$ 1,199,425</u>
<b>East Espanola SWCD</b>				
2013	331,059	(3,926)	423	323,643
2014	343,441	(2,219)	401	336,713
2015	349,359	2,378	636	346,527
2016	356,493	1,769	842	352,392
2017	353,961	(1,957)	1,111	345,937
2018	363,811	(3,180)	1,807	353,196
2019	372,202	(3,337)	3,610	359,770
2020	388,874	(5,246)	9,513	371,476
2021	401,578	(550)	25,125	380,878
2022	427,103	(441)	375,712	375,712
	<u>\$ 3,687,883</u>	<u>\$ (16,710)</u>	<u>\$ 419,179</u>	<u>\$ 3,546,245</u>

<u>Taxes Distributed Current Year</u>	<u>Taxes Distributed To Date</u>	<u>County Taxes Receivable at Year End</u>
3,093	3,284,345	36,051
3,256	3,330,385	33,919
4,923	3,402,662	38,770
6,717	3,454,485	44,254
8,610	3,414,668	46,140
13,496	3,447,256	82,442
34,092	3,465,958	70,843
71,865	3,318,584	92,584
243,378	3,555,385	170,509
3,385,371	3,367,369	508,406
<b>\$ 3,774,802</b>	<b>\$ 34,041,097</b>	<b>\$ 1,123,919</b>
142	109,269	1,315
147	111,991	1,345
173	114,412	1,522
187	117,152	1,810
211	116,750	1,613
231	121,150	2,051
470	122,652	2,540
1,278	124,793	3,461
8,060	130,990	6,425
126,786	126,118	16,576
<b>\$ 137,686</b>	<b>\$ 1,195,277</b>	<b>\$ 38,657</b>
439	323,597	3,490
434	336,669	4,509
690	346,497	5,209
944	352,365	5,870
1,237	345,874	6,068
2,103	352,946	7,435
5,124	359,523	9,094
9,593	369,788	12,153
28,246	378,735	20,150
369,732	367,753	50,950
<b>\$ 418,542</b>	<b>\$ 3,533,746</b>	<b>\$ 124,928</b>

**RIO ARRIBA COUNTY**  
 County Treasurer's Ten Year Property Tax Schedule  
 For the year ended June 30, 2023

	<u>Property Taxes Levied</u>	<u>Adjustments to Taxes Collected to Date</u>	<u>Taxes Collected Current year</u>	<u>Taxes Collected to Date</u>
<b>Cuba SWCD</b>				
2013	69,758	760	39	69,770
2014	63,844	1,430	38	64,624
2015	67,705	4,084	40	71,079
2016	73,838	3,436	41	76,335
2017	77,704	862	41	77,717
2018	162,205	(82,070)	107	79,067
2019	81,550	(366)	209	79,913
2020	81,189	(492)	841	79,203
2021	76,352	(870)	2,346	73,184
2022	81,618	3,372	61,151	61,151
	<u>\$ 835,761</u>	<u>\$ (69,855)</u>	<u>\$ 64,853</u>	<u>\$ 732,044</u>
<b>Upper Rio Grande Water Shed</b>				
2013	-	-	-	-
2014	270,078	(92,488)	64	175,950
2015	180,076	(1,562)	277	176,763
2016	141,942	(968)	333	139,905
2017	144,135	(944)	494	141,750
2018	147,313	(1,168)	696	143,914
2019	149,255	(706)	1,322	145,558
2020	157,038	(825)	3,884	151,893
2021	160,692	(471)	10,843	152,255
2022	209,430	(1,025)	182,573	182,573
	<u>\$ 1,559,959</u>	<u>\$ (100,157)</u>	<u>\$ 200,487</u>	<u>\$ 1,410,560</u>
<b>Northern NM College</b>				
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	1,543,205	(13,255)	11,627	1,497,899
2020	1,625,050	(128,582)	34,654	1,454,941
2021	1,585,883	(5,374)	95,300	1,505,093
2022	1,697,766	4,292	1,471,901	1,471,901
	<u>\$ 6,451,904</u>	<u>\$ (142,919)</u>	<u>\$ 1,613,481</u>	<u>\$ 5,929,834</u>

<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>County Taxes Receivable at Year End</b>
39	69,770	748
38	64,624	651
40	71,079	710
41	76,335	938
41	77,717	848
108	79,065	1,067
616	79,910	1,271
878	78,939	1,493
2,657	72,815	2,298
60,715	60,621	23,839
<b>\$ 65,173</b>	<b>\$ 730,875</b>	<b>\$ 33,862</b>
-	-	-
62	175,946	1,640
277	176,759	1,751
354	139,879	1,069
509	141,724	1,440
698	143,765	2,231
1,833	145,458	2,991
3,300	150,690	4,320
11,940	150,860	7,967
179,280	177,922	25,832
<b>\$ 198,254</b>	<b>\$ 1,403,003</b>	<b>\$ 49,241</b>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
15,835	1,496,558	32,051
33,433	1,447,940	41,527
108,374	1,495,342	75,416
1,449,163	1,440,915	230,156
<b>\$ 1,606,804</b>	<b>\$ 5,880,755</b>	<b>\$ 379,151</b>

**RIO ARRIBA COUNTY**  
 County Treasurer's Ten Year Property Tax Schedule  
 For the year ended June 30, 2023

	<b>Property Taxes Levied</b>	<b>Adjustments to Taxes Collected to Date</b>	<b>Taxes Collected Current year</b>	<b>Taxes Collected to Date</b>
<b>Grand Total</b>				
2013	17,706,704	(107,372)	14,699	17,399,822
2014	17,620,661	(203,941)	15,549	17,236,874
2015	18,654,056	164,023	24,425	18,607,481
2016	21,091,879	300,275	36,625	21,132,094
2017	19,463,594	(99,877)	42,218	19,118,246
2018	20,558,242	(1,788,703)	60,232	18,305,265
2019	19,896,240	(152,243)	132,745	19,357,572
2020	21,637,169	(1,633,957)	434,677	19,479,691
2021	21,665,285	58,230	1,210,766	20,766,695
2022	23,829,410	181,229	20,950,623	20,950,623
<b>Grand Total</b>	<b>\$ 202,123,241</b>	<b>\$ (3,282,336)</b>	<b>\$ 22,922,558</b>	<b>\$ 192,354,363</b>

<b>Taxes Distributed Current Year</b>	<b>Taxes Distributed To Date</b>	<b>County Taxes Receivable at Year End</b>
15,071	17,398,580	199,510
15,894	17,234,976	179,846
25,144	18,605,644	210,598
38,848	21,130,032	260,060
44,714	19,115,911	245,472
66,687	18,298,227	464,274
178,693	19,341,917	386,425
414,734	19,392,358	523,521
1,381,754	20,645,649	956,820
20,652,424	20,541,099	3,060,016
<b>\$ 22,833,964</b>	<b>\$ 191,704,393</b>	<b>\$ 6,486,542</b>

**RIO ARRIBA COUNTY**  
Schedule of Tax Roll Reconciliation- Property Tax Receivable  
June 30, 2023

Schedule IV

Property taxes receivable June 30, 2022	\$	7,384,686
Changes to Tax Roll:		
Net taxes charged to Treasurer for fiscal year		24,010,639
Adjustments:		
Charge off of taxes receivable		(145,485)
Net adjustments		<u>(1,840,740)</u>
Total receivables prior to collections		29,409,100
Collections for fiscal year ended June 30, 2023		<u>(22,922,558)</u>
Property taxes receivable June 30, 2023	\$	<u><u>6,486,542</u></u>
Per Treasurer's report:		
Property taxes receivable by year:		
2013	\$	199,510
2014		179,846
2015		210,598
2016		260,060
2017		245,472
2018		464,274
2019		386,425
2020		523,521
2021		956,820
2022		<u>3,060,016</u>
Total property taxes receivable	\$	<u><u>6,486,542</u></u>

See independent auditors' report.

## **COMPLIANCE SECTION**

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

**INDEPENDENT AUDITORS' REPORT**

Joseph M. Maestas, P.E.  
New Mexico State Auditor  
U.S. Office of Management and Budget  
County Commissioners  
Rio Arriba County  
Tierra Amarilla, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the General Fund and major special revenue funds of Rio Arriba County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Rio Arriba County's basic financial statements, and have issued our report thereon dated June 28, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rio Arriba County's internal control over financial reporting (internal control) as a basis for designing 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 Rio Arriba County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rio Arriba 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified 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 items 2023-003, 2023-004, and 2023-006 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 accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-005 to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Rio Arriba 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 financial statements. 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 2023-001, 2023-010 and 2023-012.

We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as items 2023-009, and 2023-011.

### **Rio Arriba County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Rio Arriba County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Rio Arriba County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.



Cordova CPAs LLC  
Albuquerque, New Mexico  
June 28, 2024

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**FEDERAL FINANCIAL ASSISTANCE**

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

Joseph M. Maestas, P.E.  
New Mexico State Auditor  
U.S. Office of Management and Budget  
County Commissioners  
Rio Arriba County  
Tierra Amarilla, New Mexico

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

#### ***Opinion on Each Major Federal Program***

We have audited Rio Arriba County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Rio Arriba County's major federal programs for the year ended June 30, 2023. Rio Arriba County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rio Arriba 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, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Rio Arriba County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Rio Arriba County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Rio Arriba County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Rio Arriba County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Rio Arriba County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Rio Arriba County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Rio Arriba County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Rio Arriba County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-007. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Rio Arriba County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Rio Arriba County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-008 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Rio Arriba County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Rio Arriba County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Cordova CPAs LLC  
Albuquerque, New Mexico  
June 28, 2024

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**RIO ARRIBA COUNTY**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Federal Grantor or Pass-Through Grantor / Program Title	Assistance Listing Number		Federal Expenditures	Funds Provided to Subrecipients	Noncash Assistance
<b>U.S. Department of Agriculture</b>					
<i>Passed through NM Department of Finance and Administration</i>					
School and Roads - Grants to Counties	10.666	*	\$ 706,234	\$ -	\$ -
Forest Patrol - Carson/Santa Fe	10.666	*	6,111	-	-
<i>Total U.S. Department of Agriculture</i>			<u>712,345</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Army Engineer District</b>					
Law Enforcement, Abiquiu Lake	12.1XX		8,636	-	-
<i>Total U.S. Department of Army Engineer District</i>			<u>8,636</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Housing and Urban Development</b>					
Low Rent Public Housing	14.850		255,696	-	-
Section 8 Vouchers Housing Program	14.871		65,341	-	-
<i>Total U.S. Department of Housing and Urban Development</i>			<u>321,037</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Interior</b>					
Taylor Grazing Act of 6-28-34	15.227		37,193	-	-
<i>Total U.S. Department of Interior</i>			<u>37,193</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Justice</b>					
Public Safety Partnership and Community Policing Grant	16.710		610,504	-	-
Edward Byrne Memorial Justice Assistance Grant	16.738		10,725	-	-
Comprehensive Opioid Abuse Program	16.838		181,075	-	-
<i>Total U.S. Department of Justice</i>			<u>802,304</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Transportation</b>					
<i>Passed through NM Department of Finance and Administration</i>					
Highway Safety Improvement Program	20.608		12,124	-	-
<i>Total U.S. Department of Transportation</i>			<u>12,124</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of the Treasury</b>					
Coronavirus State and Local Fiscal Recovery Funds	21.027	*	1,113,464	-	-
<i>Total U.S. Department of the Treasury</i>			<u>1,113,464</u>	<u>-</u>	<u>-</u>

\* Denotes Major Federal Financial Assistance Program

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

Federal Grantor or Pass-Through Grantor / Program Title	Assistance Listing Number	Federal Expenditures	Funds Provided to Subrecipients	Noncash Assistance
<b>U.S. Department of Health and Human Services</b>				
<i>Passed through Non Metro Area Agency on Aging</i>				
Federal Aging Grant Title III Part B	93.044	\$ 28,298	\$ -	\$ -
Federal Aging Grant Title III ARP-Part B	93.044	35,794	-	-
Federal Aging Grant Title III Part C I	93.045	46,819	-	-
Federal Aging Grant Title III Part C II	93.045	25,836	-	-
Federal Aging Grant Title III Part C Supplemental	93.045	9,677	-	-
Federal Aging Grant Title III Part C Other	93.045	6,000	-	-
Federal Aging Grant Title III ARP-Part C I	93.045	16,336	-	-
Federal Aging Grant Title III ARP-Part C II	93.045	17,664	-	-
Federal Commodities - Nutrition	93.053	87,201	-	87,201
Federal Aging Grant Title III FCC	93.053	131	-	-
Federal Aging Grant Title III HDC3 Nutrition	93.053	3	-	-
Federal Aging Grant Title III SSC3 Support	93.053	134	-	-
<i>Passed through National Council of Aging</i>				
National Council of Aging	93.071	13,129	-	-
<i>Direct awards</i>				
Prescription Drug Overdose Prevention	93.136	1,757	-	-
Abstinence Education Grant SWAH DOH	93.235	17,768	-	-
State Rural Health Flexibility Program	93.241	6,500	-	-
Substance Abuse and Mental Health Services Projects	93.243	488,905	-	-
Rural Health Network (HRSA)	93.912	231,815	-	-
<i>Total U.S Department of Health and Human Services</i>		<u>1,033,767</u>	<u>-</u>	<u>87,201</u>
<i>Total Federal Financial Assistance</i>		<u>\$ 4,040,870</u>	<u>\$ -</u>	<u>\$ 87,201</u>

\* Denotes Major Federal Financial Assistance Program

() Denotes Cluster

See independent auditors' report.

See accompanying notes to schedule of expenditures of federal awards.

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

### **1 Basis of Presentation**

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

### **2 Loans**

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

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

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

### **4 Federally Funded Insurance**

The County has no federally funded insurance.

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**RIO ARRIBA COUNTY**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2023

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

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to the financial statements noted?                     | Yes        |

*Federal Awards:*

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | Yes        |
| 2. Type of auditors' report issued on compliance for major programs   | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | Yes        |

4. Identification of major programs:

Assistance Listing Number	Federal Program
10.666	Schools and Roads – Grants to Counties
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2023-001(2021-001) — Deficiencies in Procurement and Disbursement Transaction Cycle – (Significant Deficiency and Noncompliance)**

*Condition:* During our audit, we noted internal control weaknesses and deficiencies as follows:

- The County used a direct payment method to pay for an invoice totaling \$39,219.72, where services were rendered for legal expenses without a proper P.O. and authorized budget in place.
- From examination of 4 out of 42 Vendors paid over \$60,000 during the year, the County could not determine if a proper procurement method (ITB, RFP, SPA, etc.) was utilized. The total paid to all 4 vendors in fiscal year 2023 totaled \$343,514.79

The County has not made progress from the prior year.

*Criteria:* The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication, and monitoring. The risk assessment, control activities, and information and communication elements were not present during the execution of the mentioned transaction. Also, New Mexico Procurement Code 13-1-1 to 13-1-99, NMSA 1978, states that payments must be supported by proper procurement method.

*Effect:* The County is susceptible to errors or fraud, including management override, not being timely detected and corrected due to the weaknesses in the internal control structure of the County. Also, the County may have violated the New Mexico Procurement Code. Lastly, the County may have procured services and goods from vendors that are not at the best obtainable price.

*Cause:* The County has not performed a proper risk assessment of internal controls over disbursements related to procurements that may be subjected to the New Mexico Procurement Code. Lastly, the County experienced significant turnover in the Finance Department, and therefore, the process was not properly followed during the fiscal year.

*Auditors' Recommendations:* The County should either update their procurement policy or more effectively communicate to departments that formal procurements, when required, must be obtained if the total expected amount to be paid to a particular vendor will exceed \$60,000, regardless of the dollar amounts of individual transactions. In addition, the County should maintain and periodically review their cash disbursements listing to ensure any vendors that have been or will likely be paid more than \$60,000 in the fiscal year, have been subjected to the appropriate procurement requirements for goods and/or services. The County should understand that the threshold for which the procurement code is applicable is not tied directly to a purchase order (or contract), and that creating a purchase order for an amount less than the \$60,000 threshold does not preclude them from the requirements outlined in the procurement code. Lastly, we recommend that the County document why a particular contract may be different in scope and document why a formal procurement is not required. As part of this documentation, we recommend that a memorandum to the file be added to include an evaluation and substantiation of the value of the services compared to the costs of the contract.

*Agency Response:* Management is in agreement with this finding. The Chief Procurement Officer and the Grants & Contracts Officer will communicate and support departments with contract guidance. Departments will be responsible for monitoring their own contracts. County CPO's will also research the benefits of changing the \$60,000 threshold to see if there is any benefit to revising the policy. In addition, Procurement Officers will conduct trainings for department directors and administrative staff to educate them on the procurement requirements and regulations as many directors and administrative staff are new to Rio Arriba County. Responsible parties for each Department Director respectively for service contracts with support from them Chief Procurement Officer and Grants & Contracts Officer.

**2023-002 (2022-002) Internal Controls Over Payroll and Human Resources (Significant Deficiency)**

*Condition:* During our testwork over the payroll transaction cycle we noted the following:

- We noted instances where the Human Resource department did not have internal controls implemented in order to ensure all appropriate changes to an employee's status (and compensation) were made timely. We noted that payroll continues to make necessary adjustments or changes to ensure payroll continues to occur timely.
- We noted deviations in the PERA calculations in our testwork over payroll we tested eight out of sixteen employees whose PERA amounts charged for the employee portion was 0.01% less than what it should have been charged.

The county has not made progress with regard to this condition.

*Criteria:* The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication, and monitoring. The risk assessment, control activities, and information and communication elements were not present during the execution of the mentioned transaction.

*Effect:* The lack of segregation of duties increases the possibility that errors, and improper activities would not be detected. Also, the risk of misappropriation and fraud is heightened. Lastly, amounts withheld and remitted for PERA contained immaterial errors due to the miscomputation.

*Cause:* In the interest of saving time due to repeated errors showing up in the documentation, the payroll department executed the necessary changes to correctly classify and compensate these employees. Also, there appears to be a lack of communication amongst these two departments and there was turnover all throughout finance including human resources during the year.

*Auditors' Recommendation:* We recommend that the County perform a complete risk assessment over the payroll process. This assessment must identify weaknesses in the payroll process, implement proper processes to ensure proper personnel files are kept, ensure information that is recorded into the personnel module is complete and accurate, ensure that all timesheets are approved and signed, and implement proper internal controls are in place to ensure segregation of duties. We also recommend that the Human Resources implement a more rigorous review process when new employees are set up or changes to existing employees are administered. Any errors should be discovered and corrected in a timely manner and remitted to payroll.

*Agency Response:* Management is in agreement with this finding. Management is unsure if the previous administrations (Human Resources & Finance) completed a risk assessment with regard to the HR/payroll processes. This administration will work to ensure a risk assessment is completed to ensure proper segregation of duties and other critical tasks. In addition, all errors, from either Human Resources or Finance, will be addressed in a timely manner. The departments will work together to improve how financial processes are done collaboratively, to ensure the most effective and appropriate practices are implemented. Responsible parties Human Resources Director with support from Management and Finance.

**2023-003 — Deficiencies in the Bank Reconciliation Process (Material Weakness)**

*Condition:* During our procedures performed over cash and investments, we noted that the bank reconciliation at yearend was not prepared and reviewed timely. In addition, we noted the following:

- From procedures over cash and investments the County did not complete a monthly Treasurers report for the Commission until 12 months after year end June 30, 2023.
- A complete reconciliation between Treasurer Department cash and the Finance Department Cash for June 30, 2023 was not performed until June 2024.
- The Treasurers Department and the Finance Department had multiples discrepancies in each respective department's bank reconciliation throughout fieldwork and ultimately were able to reconcile by the time the report was issued.
- The Finance Department bank reconciliation was materially inaccurate as it relates to the debits and credits, adjustments noted on the bank reconciliation, the outstanding items, and how these items reconciled to the general ledger.

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

*Effect:* The County is susceptible to errors or fraud not being timely detected and corrected due to the weaknesses in the internal control structure of the County.

*Cause:* The County did not have the proper personnel in place to perform the necessary yearend procedures, and also has not performed a proper risk assessment of internal controls through the County to ensure financial reporting and asset safekeeping are proper for the County environment.

*Auditors' Recommendations:* We recommend the following:

- The County should perform a complete risk assessment of the internal control process throughout the County to ensure proper segregation of duties throughout finance department.
- The County should ensure that the formal process that the County has in place for month and yearend closeout procedures are performed, a complete and accurate Treasurer's Report is completed, and all Finance Department bank reconciliation are completed accurately, timely, and are properly review.

*Agency's Response:* Management is in agreement with this finding. There was a turnover in key Finance staff during the third quarter and end of fiscal year. Finance management staff departed their employment abruptly in February 2023 and July 2023. Both left effective immediately with no succession plan or desk procedures in place. In addition, the departure of the latter director hindered the year end processes as they were not completed. Incoming staff had no historical organizational data to proceed with reconciliation processes. This matter will be resolved with the implementation and creation of desktop procedures. This type of resource will be a useful tool for someone to be able to step in and assume the role. In addition, cross-training is critical, as no other person in the finance department is familiar with any other processes outside the purview of their own positions. Finance Director, Deputy Finance Director, and Treasurer will work to ensure this process is maintained to ensure timeliness, effective immediately.

**2023-004 Deficiencies in the Financial Close Process (Material Weakness)**

*Condition:* During our examination of the financial close processes and procedures employed by the County we noted the following:

- The County did not properly record the issuance of the 2022 GO Bonds including issuance costs, interest, and associated payoff of the Bond Anticipation Notes.
- The County did not adjust its investments to fair market value as of June 30, 2023.
- We noted three funds that did not have revenue properly recorded and therefore proposed adjustments totaling \$9,564,308 to accurately reflect unearned revenue as of year end.
- We noted three items in our accounts payable testwork that were identified as accruals totaling \$192,811 that should not have been accrued and four items totaling \$47,635 that were not accrued that should have been accrued.
- The auditor noted that transfers did not balance when we received the final closed set of numbers and management proposed an adjustment totaling \$15,612 to correct the error.
- We noted that there was not a proper risk assessment at the entity-level controls. The overall system of performing the financial close did have sufficient resources and personnel assigned to it and thus, created significant delays in closing the books for FY 2023.

The County has made little progress in implementing its corrective action plan from the prior year. The main reason, in our professional judgement, that this remains significant is because of the cumulative effect of the items noted above on the financial close and reporting process.

*Criteria:* According to AU-C 325, what the auditor does is independent of the client's internal control over financial reporting, and, therefore, the auditor cannot be a compensating control for the client. Recording the adjustments is considered a significant process that the client needs to consistently perform. In addition, the Committee of Sponsoring Organizations (COSO) COSO Internal Control – Integrated Framework (2013) consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring, which includes the implementation of internal controls with financial close functions to produce accurate and timely financial information in accordance with generally accepted accounting principles.

*Effect:* The items included in the Condition above resulted in misstatements in some of the County's account balances around the timeframe of its normal closing which is approximately 90 days. In addition, the County's audit was delayed because certain transaction cycles and account balances were not reconciled until six months after year end. Lastly, the risk of fraud and errors increases when the Conditions noted above are present.

*Cause:* The County has experienced turnover in key positions that perform the monthly and year-end financial close out procedures. There are unfilled positions that are required to perform all of the required financial close procedures in the Business Office. In addition, this has contributed to delays in the transition of the monthly, quarterly, and year-end financial close duties, which includes the critical procedure of reconciling the accounts balances and maintenance of the general ledger.

*Auditors' Recommendations:* We recommend that the County review its documented financial close procedures which addresses each of the deficiencies noted above and ensure during fiscal year 2024 that these matters are individually addressed as part of the review of each transaction class and the close out process as a whole. Also, we recommend that the County continue to implement its corrective action plan and make it a goal to reconcile each month by the end of the following month with all variances and unexplained items adjusted.

*Agency's Response:* Management is in agreement with this finding. Turnover in key Finance staff played a pivotal role in this finding. Previous director departed July 3, 2023, prior to the completion of fiscal year end close out procedures being completed. New director was hired late July. Existing finance staff had no knowledge or insight of close out procedures that needed to be done. Rio Arriba proposes to address this finding by a) creating and implementing desk procedures to ensure management has the resources they need to be able to proceed with year-end processes; b) completion of risk assessments to identify and address weaknesses; c) constant monitoring throughout the fiscal

**RIO ARRIBA COUNTY**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

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year to ensure that issues are addressed in a timely manner, prior to the end of the fiscal year; and d) establishing clear processes and practices between the finance and treasurer's office staff to ensure that both departments are in synch with one another. Finance Director, Deputy Finance Director, and Treasurer will work to ensure this process is maintained to ensure timeliness, effective immediately.

**2023-005 GASB Statement Nos. 87 and No 96 Implementation (Significant Deficiency)**

*Condition:* The County was not able to properly evaluate all leases and Subscription Based Information Technology Arrangements, to implement GASB Statement No. 96 for financial statement purposes at year end June 30, 2023. Also, the County was not able to properly assess current activity related to GASB Statement No. 87 and make corresponding computations for the year ended June 30, 2023.

*Criteria:* The objective of GASB Statement Nos. 87 and 96 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases and SBITAs by governments.

*Effect:* The County was not able to update its leases information to comply with the lease standard and did not properly implement GASB Statement No. 96 in the fiscal year 2023 financial statements, and thus, there may be misstatements pertaining to leases and SBITAs as of and for the year ended June 30, 2023.

*Cause:* The County experienced a significant amount of staff turnover during the year at all the levels in the finance office. This created a challenge to keep up the operations, hiring and training. During this transition time, some documents were not found at the time of the audit, and a proper assessment of leases was not performed.

*Auditor's Recommendations:* The County should perform a full assessment of all SBITAs and leases, in order to properly implement GASB Statement No. 96 and continue with its accounting for leases.

*Agency Response:* Management is agreement with this finding. Rio Arriba will perform the recommended assessment of all SBITA's and leases in order to implement the new GASB rulings effectively and account for leases accordingly. The Finance Director will work to understand these rulings and take the necessary steps to implement and report accordingly. This will be addressed to ensure compliance in FY 2024.

**2023-006 Accounting for Grants and Related Receivables (Material Weakness)**

*Condition:* During our examination of the County's grant receivables, the County did not properly monitor monthly expenditures in order to properly reconcile its grants and State appropriations. Also, the County did not properly request reimbursements for grants and State appropriations in a timely manner as we noted \$1,419,218 in outstanding deficit cash balances as of June 30, 2023. In addition, we noted that county did include receivables totaling \$182,087 that should have been accrued and accounted for as part of fiscal year end June 30, 2023.

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

*Effect:* The County may not receive all of the reimbursements owed to it from the federal or state government because the requests were not remitted. In addition, there is a risk that the county may not recover grant expenditures and have to fund these expenditures with the general fund. At year end, the County had a total of \$1,419,218 due to/from's related to negative cash in those individual funds. Prior to proposed adjustments, accounts receivable and interfund activity was misstated.

*Cause:* Due to the turnover in management, the reconciliation of the grants was not completed in a timely manner. This led to the County getting behind in their reconciliations and requests for reimbursements.

**RIO ARRIBA COUNTY**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

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*Auditors' Recommendation:* We recommend that the County ensure that accounts receivable balances are reviewed, analyzed for collectability, and substantiated by supporting documentation.

*Agency Response:* Management is in agreement with this finding. The accounts receivable balances are for drawdowns occurring after 06/30/2023. The new finance administration will work with accounting staff and meet regularly to ensure that drawdowns and accounts receivable entries are completed in a timely manner. Due to the turnover in the finance department at fiscal year-end these entries were not addressed. Finance Director and Deputy Finance Director will work with staff, prior to the end of the fiscal year, to note and record any grant receivables to ensure they are completed prior to the beginning of the FY 2024 audit.

**SECTION III - FEDERAL AWARD FINDINGS**

**2023-007 Single Audit Report Submission (Other Noncompliance)**

*Federal program information:*

Funding agency:	All Programs
Title:	All Programs
Federal Assistance Listing Number:	All Programs
Compliance Requirement:	Reporting
Award Period:	July 1, 2022 to June 30, 2023

*Condition:* The County's fiscal year ended June 30, 2023, single audit reporting package was not submitted to the Federal Audit Clearinghouse within nine months after the end of the audit period as required by 2 CFR Section 200.50(c).

*Criteria:* The Uniform Guidance requires that the Single Audit reporting package be submitted within nine months after the end of the audit period.

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

*Questioned Costs:* None

*Cause:* The County experienced significant turnover during this fiscal year, and it resulted in both operations and closing of the previous fiscal year to be delayed which made everything late.

*Auditors' Recommendation:* We recommend that the County should work to catch up the closing process in order to ensure that the next year's audit is performed timely in order for the next year's audit reporting package to be submitted by the federal clearing house due date.

*Agency's Response:* Management is in agreement with this finding. The single audit was not submitted to the Federal Clearinghouse by the April 1st deadline, therefore, receipt of this finding is statutorily correct. With the Finance department now fully staffed, Rio Arriba County will ensure that the Single Audit report is submitted by the deadline to re-establish compliance. Finance Director, Deputy Finance Director, and Treasurer will work to ensure that the FY 2024 audit and single-report submission are submitted timely.

**RIO ARRIBA COUNTY**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

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**2023-008 Preparation of the Schedule of Expenditures of Federal Awards (Material Weakness)**

*Federal program information:*

Funding agency:	All Programs
Title:	All Programs
Federal Assistance Listing Number:	All Programs
Compliance Requirement:	Reporting
Award Period:	July 1, 2022 to June 30, 2023

*Condition:* During our procedures over the Schedule of Expenditures of Federal Awards we noted the SEFA was given to the auditors and was not complete or accurate missing \$405,297 of the total federal expenditures.

*Criteria:* OMB Uniform Guidance requires award identification to include, as applicable, the Federal Assistance Number and title, the award number and years, the name of the federal agency, and the name of any applicable pass-through entities, and that the Schedule of Expenditures of Federal Awards is complete and accurate.

*Cause:* The County experienced a lot of turnover towards the end of the fiscal year and with the positions that worked to fill out the of Schedule of Expenditures of Federal Awards in prior years so there were delays and unfamiliarity with all the programs that needed to be included.

*Effect:* The County is in violation of the Uniform Guidance requirements.

*Auditor's Recommendation:* We recommend that the County implement a system to ensure items needed to prepare the Schedule of Expenditure and Federal Awards be done in the closing process so that when the audit starts the Schedule of Expenditure and Federal Awards is ready to be audited and is complete and accurate.

*Agency's Response:* Management is in agreement with this finding and with the Auditor's notes. Staff preparing the SEFA was new, and in turn, unfamiliar with many awards. Rio Arriba intends to remedy this by involving the Grants staff in this process as they are directly involved and most familiar with the grant funding the County receives. The Finance Director and Deputy Finance Director will work with the staff designee (Grants) that will prepare the SEFA to ensure accurate information is reported for the Fiscal Year 2024 audit.

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

**2023-009 — Stale-dated Checks (Other Noncompliance)**

*Condition:* During our testwork over cash we noted the County had one stale dated check totaling \$348.63. The County has not performed proper investigation of and/or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

*Criteria:* New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation, requires local public bodies to cancel or void any checks that are unpaid for one year after it is written.

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

*Cause:* The County had major turnover in the Finance Department and the proper closeout procedures for state dated checks were not completed.

*Auditors' Recommendation:* We recommend that the outstanding checks be voided as soon as possible and that a procedure to track and void stale dated checks be adhered to. We also recommend that the County remit the stale-dated checks to the New Mexico Taxation and Revenue Department.

**RIO ARRIBA COUNTY**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2023

*Agency Response:* Management is in agreement with this finding. Due to the turnover in the finance staff, there was a delay in completing the June bank reconciliation which would have identified these funds. Rio Arriba finance department is fully staffed and working to get back on track with bank reconciliations which will facilitate this process. Finance Director, Deputy Finance Director, and Treasurer will work to ensure that this process is adhered to beginning July 1, 2023 and moving forward.

**2023-010- Budgetary Reporting – (Other Noncompliance)**

*Condition:* We noted that the County did not submit its fourth quarter DFA budget report timely and we also noted that DFA’s Local Government Budget Management System was not properly maintained at the end of fiscal year 2023.

*Criteria:* According to 6-6-3. Local public bodies; duties. Every local public body shall: A. keep all the books, records and accounts in their respective offices in the form prescribed by the local government division; B. make all reports as may be required by the local government division; and C. conform to the rules and regulations adopted by the local government division.

*Effect:* Due to the delays in the County’s financial close processes, the budgetary information was submitted with balances that were not fully reconciled.

*Cause:* The County experienced significant turnover during this fiscal year, and it resulted in both operations and closing of the previous fiscal year to be delayed which made everything late.

*Auditors’ Recommendations:* We recommend that the County review its documented financial close procedures which addresses each of the deficiencies noted above and ensure during fiscal year 2024 that the budgetary information is submitted to NM Department of Finance and Administration timely and accurately.

*Agency’s Response:* Management is in agreement with this finding. Because of the turnover in the Finance department, year-end quarterly reporting was unable to be completed until the operational bank was reconciled. This finding will be resolved as Finance is fully staffed. The quarterly reporting is targeted to be current and up to date by August 2024.

**2023-011- Budgetary Authority Exceeded – (Other Noncompliance)**

*Condition:* We noted that the County exceeded its budgetary authority by spending more than the final approved budget in the following funds:

Fund	Budgeted Amount Exceeded
HHS BHSD LEAD	\$ 9,276
HHS SGF JIS	980
Debt Service Reserve	308,253
	\$ 318,509

*Criteria:* Section 6-6-6, NMSA 1978 states that all County funds, when any budget for a local public body has been approved and received by a local public body, it is binding upon all officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof, and no official shall pay any check or warrant in excess thereof, and the allowances or claims or checks or warrants so allowed or paid shall be a liability against the officials so allowing or paying those claims or checks or warrants, and recovery for the excess amounts so allowed or paid may be had against the bondsmen of those officials.

*Effect:* The County spent public funds without adjusting the budget for increased activity during the year and spent public fund with budget authority.

**RIO ARRIBA COUNTY**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

Schedule VI

*Cause:* The County did not properly submit a budget adjustment for the actual expense.

*Auditors' Recommendations:* We recommend that the County monitor its budgets closely and prepare budget adjustments as necessary and that the County submits all budget adjustments in a timely manner in the future.

*Agency Response:* Management is in agreement with this finding. Of the three funds, one of them was a clerical error that was not corrected prior to year-end. The debt service reserve overage was due to insufficient budget authority for the principal payments that were made. Effective immediately, Finance Director and Deputy Finance Director will monitor budgets closely and frequently to ensure budget adjustments are submitted as necessary and in a timely manner.

**2023-012 Late Independent Public Accountant (IPA) Audit Report (Other Noncompliance)**

*Condition:* The audit report for the County's fiscal year ended June 30, 2023, was not submitted by the due date of December 1, 2023, as required OSA Rule 2.2.2.9 (A). The audit report was submitted June 30, 2024.

*Criteria:* OSA Rule 2.2.2.9 (A) establishes a due date for submission of this audit report to the Office of the State Auditor by November 1<sup>st</sup>.

*Effect:* The report was not submitted as required. Without the audit report being delivered on time, regulatory agencies, as well as legislative committees do not have the financial data available to make funding decisions.

*Cause:* Turnover of key personnel of the Finance Departments caused the County to not meet the deadline of December 1<sup>st</sup>.

*Auditors' Recommendations:* We recommend the County work to create all the proper financial information to complete all audits on time.

*Agency's Response:* Management is in agreement with this finding. The audit report was not submitted to the New Mexico Office of the State Auditor by the December deadline, therefore, receipt of this finding is statutorily correct. With the Finance department now fully staffed, Rio Arriba County will ensure that the Financial Audit report is submitted by the deadline to re-establish compliance. The Finance Director, Deputy Finance Director, and Treasurer will work to ensure that Fiscal Year 2024 audit is completed by the December 1st deadline.

**SECTION V. PRIOR YEAR AUDIT FINDINGS**

**2022-001 — Deficiencies in Procurement and Disbursement Transaction Cycle - (Repeated from 2021-001) Significant Deficiency) - Repeated**

**2022-002 Internal Controls Over Payroll and Human Resources (Significant Deficiency) - Repeated**

**2022-003 Deficiency in Internal Control Over Reporting Requirements (Significant Deficiency) - Resolved**



*Rio Arriba*  
**Board of County Commissioners**

**COMMISSIONERS**

Alex M. Naranjo  
Chairman, District II

Brandon M. Bustos  
District I

Moises A. Morales  
District III

**COUNTY MANAGER**  
Jeremy G. Maestas

**DEPUTY MANAGER**  
Linda J. Padilla

**Corrective Action Plan**

- 2023-001**     **Deficiencies in Procurement and Disbursement Transaction Cycle** – Management is in agreement with this finding. The Chief Procurement Officer and the Grants & Contracts Officer will communicate and support departments with contract guidance. Departments will be responsible for monitoring their own contracts. County CPO’s will also research the benefits of changing the \$60,000 threshold to see if there is any benefit to revising the policy. In addition, Procurement Officers will conduct trainings for department directors and administrative staff to educate them on the procurement requirements and regulations as many directors and administrative staff are new to Rio Arriba County.
- 2023-002**     **Internal Controls over Payroll & Human Resources** – Management is in agreement with this finding. Management is unsure if the previous administrations (Human Resources & Finance) completed a risk assessment with regard to the HR/payroll processes. This administration will work to ensure a risk assessment is completed to ensure proper segregation of duties and other critical tasks. In addition, all errors, from either Human Resources or Finance, will be addressed in a timely manner. The departments will work together to improve how financial processes are done collaboratively, to ensure the most effective and appropriate practices are implemented.
- 2023-003**     **Deficiencies in the Bank Reconciliation Process** – Management is in agreement with this finding. There was a turnover in key Finance staff during the third quarter and end of fiscal year. Finance management staff departed their employment abruptly in February 2023 and July 2023. Both left effective immediately with no succession plan or desk procedures in place. In addition, the departure of the latter director hindered the year end processes as they were not completed. Incoming staff had no historical organizational data to proceed with reconciliation processes. This matter will be resolved with the implementation and creation of desktop procedures. This type of resource will be a useful tool for someone to be able to step in and assume the role. In addition, cross-training is critical, as no other person in the finance department is familiar with any other processes outside the purview of their own positions. Deputy Finance Director and Finance Director will work to ensure this process is maintained to ensure timeliness, effective immediately.
- 2023-004**     **Deficiencies in the Financial Close Process** – Management is in agreement with this finding. Turnover in key Finance staff played a pivotal role in this finding. Previous director departed July 3, 2023, prior to the completion of fiscal year end close out procedures being completed. New director was hired late July. Existing finance staff had no knowledge or insight of close out procedures that needed to be done. Rio Arriba proposes to address this finding by a) creating and implementing desk procedures to ensure

management has the resources they need to be able to proceed with year-end processes; b) completion of risk assessments to identify and address weaknesses; c) constant monitoring throughout the fiscal year to ensure that issues are addressed in a timely manner, prior to the end of the fiscal year; and d) establishing clear processes and practices between the finance and treasurer's office staff to ensure that both departments are in synch with one another. Deputy Finance Director and Finance Director will work to ensure this process is maintained to ensure timeliness, effective immediately.

**2023-005      GASB Statement Nos. 87 and 96 Implementation**

Management is agreement with this finding. Rio Arriba will perform the recommended assessment of all SBITA's and leases in order to implement the new GASB rulings effectively and account for leases accordingly. The Finance Director work to understand these rulings and take the necessary steps to implement and report accordingly. This will be addressed to ensure compliance in FY 2024.

**2023-006      Accounting for Grants and Related Receivables**

Management is in agreement with this finding. The accounts receivable balances are for drawdowns occurring after 06/30/2023. The new finance administration will work with accounting staff and meet regularly to ensure that drawdowns and accounts receivable entries are completed in a timely manner. Due to the turnover in the finance department at fiscal year-end these entries were not addressed. Finance Director and Deputy Finance Director will work with staff, prior to the end of the fiscal year, to note and record any grant receivables to ensure they are completed prior to the beginning of the FY 2024 audit.

**2023-007      Single Audit Report Submission**

Management is in agreement with this finding. The single audit was not submitted to the Federal Clearinghouse by the April 1<sup>st</sup> deadline, therefore, receipt of this finding is statutorily correct. With the Finance department now fully staffed, Rio Arriba County will ensure that the Single Audit report is submitted by the deadline to re-establish compliance. Finance Director and Deputy Finance Director will work to ensure that the FY 2024 audit and single-report submission are submitted timely.

**2023-008      Preparation of the Schedule of Expenditures of Federal Awards**

Management is in agreement with this finding and with the Auditor's notes. Staff preparing the SEFA was new, and in turn, unfamiliar with many awards. Rio Arriba intends to remedy this by involving the Grants staff in this process as they are directly involved and most familiar with the grant funding the County receives. The Finance Director and Deputy Finance Director will work with the staff designee (Grants) that will prepare the SEFA to ensure accurate information is reported for the Fiscal Year 2024 audit.

**2023-009      Stale-dated Checks**

Management is in agreement with this finding. Due to the turnover in the finance staff, there was a delay in completing the June bank reconciliation which would have identified these funds. Rio Arriba finance department is fully staffed and working to get back on track with bank reconciliations which will facilitate this process. Finance Director and Deputy Finance Director will work to ensure that this process is adhered to beginning July 1, 2023 and moving forward.

**2023-010**

**Budgetary Reporting**

Management is in agreement with this finding. Because of the turnover in the Finance department, year-end quarterly reporting was unable to be completed until the operational bank was reconciled. This finding will be resolved as Finance is fully staffed. The quarterly reporting is targeted to be current and up to date by August 2024.

**2023-011**

**Budgetary Authority Exceeded**

Management is in agreement with this finding. Of the three funds, one of them was a clerical error that was not corrected prior to year-end. The debt service reserve overage was due to insufficient budget authority for the principal payments that were made. Effective immediately, Finance Director and Deputy Finance Director will monitor budgets closely and frequently to ensure budget adjustments are submitted as necessary and in a timely manner.

**2023-012**

**Late Independent Public Accountant Audit Report**

Management is in agreement with this finding. The audit report was not submitted to the New Mexico Office of the State Auditor by the December deadline, therefore, receipt of this finding is statutorily correct. With the Finance department now fully staffed, Rio Arriba County will ensure that the Financial Audit report is submitted by the deadline to re-establish compliance. The Finance Director and Deputy Finance Director will work to ensure that Fiscal Year 2024 audit is completed by the December 1st deadline.

**RIO ARRIBA COUNTY**

Other Disclosures

June 30, 2023

**Exit Conference**

An exit conference was held on June 27, 2024. In attendance were the following:

**Representing the Rio Arriba County:**

Moises A. Morales, County Commissioner  
Jeremy G. Maestas, County Manager  
Diahann Jacquez, Finance Director  
Higinia Cordova, Deputy Finance Director  
Livia Olguin, County Treasurer  
Gilbert Martinez, Treasurer's Office Accountant

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

Lorrie Leyba, Director

**Representing Cordova CPAs LLC:**

Robert Cordova, CPA, Principal

**Auditor Prepared Financial Statements**

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