



City of Rio Communities Council Special Workshop
City Council Chambers - 360 Rio Communities Blvd
Rio Communities, NM 87002
Monday, March 25, 2024 3:00 PM

Agenda

Please silence all electronic devices.

Call to Order

Attendees

Discussion/Agenda Items – Budget Revenue Training

Adjourn

**Please join us from the comfort and safety of your own home by entering the following link: @
<https://www.facebook.com/riocommunities>**

NOTE: THIS AGENDA IS SUBJECT TO REVISION UP TO 72 HOURS PRIOR TO THE SCHEDULED MEETING DATE AND TIME (NMSA 10-15-1 F). A COPY OF THE AGENDA MAY BE PICKED UP AT CITY HALL, 360 RIO COMMUNITIES BLVD, RIO COMMUNITIES, NM 87002. IF YOU ARE AN INDIVIDUAL WITH A DISABILITY WHO IS IN NEED OF A READER, AMPLIFIER, QUALIFIED SIGN LANGUAGE INTERPRETER OR ANY OTHER FORM OF AUXILIARY AND OR SERVICE TO ATTEND OR PARTICIPATE IN THE MEETING, PLEASE CONTACT THE MUNICIPAL CLERK AT 505-861-6803 AT LEAST ONE WEEK PRIOR TO THE MEETING OR AS SOON AS POSSIBLE.



City of Rio Communities Council Regular Business Meeting

City Council Chambers - 360 Rio Communities Blvd

Rio Communities, NM 87002

Monday, March 25, 2024 6:00 PM

Agenda

Please silence all electronic devices.

Mayor - Joshua Ramsell

Mayor Pro Tem Lawrence R. Gordon

Council - Arthur Apodaca, Thomas Nelson, Matthew Marquez

Call to Order

Pledge of Allegiance

Roll Call

Approval of Agenda

Swearing in of Municipal Judge Helen Smith

Approval of Consent Agenda

1. **Approval of Minutes for March 11, 2024**
2. **Approval of Accounts Payable**

Public Comment: If you wish to speak during the public comment session, the Council will allow each member of the public three (3) minutes to address the Council. Both the public and Council will follow rules of decorum. Please state your name and where you live. The public shall direct comments to the Mayor. Comment(s) will not be disruptive or derogatory

Manager Report

3. **Animal Welfare Ordinance**
4. **Sexually Oriented Business Ordinance**

Presentations

Audit Report Presentation – SJT Group

Action Items

5. **Discussion, Consideration, and Decision – Resolution 2024 - 02 IPA Audit Acceptance, FY23 Audit Findings Acknowledgement and Management Response Acceptance.**
6. **Discussion, Consideration, and Decision – Approval For Public Works Use of Unencumbered Bill Brown Memorial Funds**

Council Discussion

Executive Session - For the Purpose of Discussion Considering Limited Personnel Matters - Complaints Against the City Manager Pursuant to NMSA SECTION 10 – 15-1(H)(2).

*** Motion and roll call vote to go into closed session**

*** Motion and roll call vote to go back into the regular business meeting session**

*** Welcome everyone back and statement by the Mayor:**

Adjourn

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City of Rio Communities Council Regular Business Meeting
City Council Chambers - 360 Rio Communities Blvd
Rio Communities, NM 87002
Monday, March 11, 2024 6:00 PM
Minutes

Please silence all electronic devices.

Mayor - Joshua Ramsell
Mayor Pro Tem - Lawrence Gordon
Council - Arthur Apodaca, Thomas Nelson, Matthew Marquez

Call to Order

Mayor Ramsell called the meeting to order at 6:01pm.

Pledge of Allegiance

Councilor Nelson led the Pledge of Allegiance.

Roll Call

PRESENT

Governing Body

Mayor Joshua Ramsell
 Councilor Lawrence Gordon (Virtual)
 Councilor Nelson
 Councilor Apodaca
 Councilor Marquez (Virtual)

Staff

Manager Dr. Martin Moore
 Deputy Clerk Lalena Aragon
 Police Chief Felix Nunez
 Fire Chief Andrew Tabet
 City Attorney Randy Van Vleck

Approval of Agenda

Motion made by Councilor Apodaca to approve the agenda. Seconded by Councilor Gordon.

Voting Yea:

Councilor Gordon
 Councilor Nelson
 Councilor Marquez
 Councilor Apodaca

Motion passed with a 4-0 vote

Approval of Consent Agenda

Approval of Minutes for Special Workshop and Regular Business Meeting February 26,2024

Approval of Accounts Payable

Amazon Business	821.28	TLC Uniforms	7,732.93
H&M 116 Rock Products, LLC.	2,240.00	Aqua3, LLC	98.20
Napa Auto Parts	809.27	Design Silk Screen Printers, LLC.	7,140.00
Valencia County Fiscal Office	3,040.35	NM Local Government Law	5,359.73
eSchedule, Inc	2,358.72	Woodlands Hardware	265.52
Sharp Electronics Corporation	3,342.11	TLC Plumbing & Utility Commercial S	409.37
Craig Independent Tire Co.	22.21	HDR Engineering, Inc.	2,902.82
HDR Engineering, Inc.	2,902.82	Comcast Business	478.28

Gayle A. Jones	1,450.41	Linde Gas & Equipment Inc.	198.54
Albuquerque Publishing Co.	1,875.51	Garcia & Sons Security	174.65
Sherman & Howard, LLC.	14,036.28	Able & Willies One Stop Shop, LLC	505.00
Boundtree Medical	174.93	Maloy Mobile Storage Inc.	243.68
UniqueFleet, LLC.	10,130.32	Comcast Business	578.39
NM Gas Co	1,513.29	NM Water Service Company	408.76
PNM	2,256.05	Verizon Wireless	524.85
WEX Bank	2,791.94		

Motin made by Councilor Nelson to approve the consent agenda. Seconded by Councilor Apodaca.

Voting Yea:

Councilor Gordon

Councilor Nelson

Councilor Marquez

Councilor Apodaca

Motion passed with a 4-0 vote

Public Comment:

Rob Raucci requested a t-post with a reflector by the speed bump on Hillandale he also talked about the shot gun blasted “no dumping sign” on the Mesa and requested to replace it with a small metal sign. He then talked about his concerns of the old car dealership on Highway 47 and Manzano Express way and the old carwash. He explained it is a black eye for the city. He then talked about Universal Waste garbage trucks leaking hydraulic oil all over the streets. He then said he loves living in the city of Rio Communities and wants to see it succeed.

Dick Irvin talked about his concerns of democracy and transparency. He also talked about a crack on Western Dr. He then talked about the appointment of the Judge.

Manager Report

City Manager Dr. Moore talked about the progress of the sidewalks in the city and explained that Public Works is working on them. He then gave an update on the playground at Chamisa park and safety issues the City is working on. He then talked about an item on the agenda for the Department of Transportation co-op grant and he will disuse that at that time. He then talked about getting some training.

Councilor Apodaca asked if there was an update with getting a zip code. City Manager Dr. Moore responded that we have not had any response from the post office or the Governor at this time.

Councilor Marquez asked if the City has gone over our budget for the park. City Manager Dr. Moore explained the city has not.

Councilor Nelson asked about the Universal Waste contract. City Manager Dr. Moore explained that it is up for the first renewal, and we will need to have a discussion regarding renegotiation of terms.

Discussion, Consideration, and Decision – Approval to apply for NMDOT Road Grant with 25% Local Match

City Manager Dr. Moore explained that we are looking to apply for a Co-Op grant for Damon St. and Horner St. with New Mexico Department of Transportation. The estimated amount is 250,000 with a 25% match. Our goal is to get a mill and repave.

Motion made by Councilor Nelson to approve to apply for the NMDOT Road Grant with a 25% local match not to exceed 62,500. Seconded by Councilor Apodaca.

Voting Yea:

Councilor Gordon
Councilor Nelson
Councilor Marquez

Councilor Apodaca

Motion passed with a 4-0 vote

Discussion, Consideration, and Decision – To fill the Municipal Judge Vacancy

Mayor Ramsell explained that there are two individuals that showed interest in being our Municipal Judge. One of the individuals lives outside of the city limits so that would preclude them from being our Municipal Judge, Helen Smith has also submitted a resume and a letter of interest.

Motion made by Apodaca to declare the vacancy of Municipal Judge. Seconded by Councilor Gordon

Voting Yea:

Councilor Gordon
Councilor Nelson
Councilor Marquez
Councilor Apodaca

Motion passed with a 4-0 vote

Motion made by Councilor Nelson to fill the Municipal Judge vacancy with Helen Smith. Seconded by Councilor Apodaca.

Voting Yea:

Councilor Gordon
Councilor Nelson
Councilor Marquez
Councilor Apodaca

Motion passed with a 4-0 vote

Discussion, Consideration, and Decision – Appointments of Boards and Committees Rio Metro Board, Mid-Region Council of Governments, Transportation Program Technical Group, Transportation Coordinating Committee, Transportation Board, Greater Valencia County Chambers of Commerce, Albuquerque Regional Economic Alliance

Rio Metro Board – Council Apodaca with Councilor Nelson as alternate, Mid-Rio Grand Council of Governments - Mayor Ramsell with Councilor Marquez and Councilor Gordon as alternate, Transportation Program Technical Group - Councilor Nelson with Councilor Marquez as alternate. Transportation Coordination Committee - Councilor Nelson with Councilor Gordon as alternate. Transportation Board - Councilor Nelson with Mayor Ramsell as alternate. Greater Valencia County Chambers of Commerce - Councilor Apodaca with Councilor Marquez as alternate. Zoning Task Force - Councilor Gordon with Councilor Marquez as alternate.

Motion made by Councilor Nelson to approve the volunteers of the boards listed on the agenda. Seconded by Councilor Apodaca.

Voting Yea:

Councilor Gordon
Councilor Nelson
Councilor Marquez
Councilor Apodaca

Motion passed with a 4-0 vote

Council Discussion

Councilor Nelson congratulated Kaylee Dons and Kendal Good on their promotions. He then read a statement from Next Door App. thanking our Public works for their hard work at the City Clean up on Saturday morning. He congratulated the Fire Department and the Public Works staff for their hard work. He then asked if we knew where the location for the level 3 EV charger is going to be that we should be getting later this year. Dr. Moore explained that we have suggested an area here in front of City Hall. As soon as we get word from the Secretary of Transportation, I will let you know and provide a site plan with the proposed spot. Councilor Nelson explained that he is working on a beautification grant for the city.

Councilor Marquez asked about Don Diego and asked for an update on the repairs. City Manager Dr. Moore explained that they are looking at a type of concrete gravel mixture and we are recommending a community meeting for the redesign of Don Diego. In the next few weeks, we should be seeing some repairs. Councilor Marquez asked about the trailers in Chamisa. Police Chief Nunez explained that there is an open investigation, and we are requesting written complaints. We are in the process of revamping our ordinance with our Municipal Judge we can move forward. As far as the movie site we haven't had any documentation. Councilor Marquez explained he has some ideas for areas for some parks. One is on Horner and the other is across from City Hall. He then talked about our animal ordinance.

Executive Session - For the purpose of discussion considering limited personnel matters - complaints against the City Manager and the Assistant to the City Manager pursuant to NMSA SECTION 10 – 15-1(H)(2).

Motion and roll call vote to go into closed session

Motion made by Councilor Apodaca with a roll call vote for the matters stated on the agenda. Seconded by Councilor Gordon at 7:12pm.

Councilor Gordon
Councilor Nelson
Councilor Marquez
Councilor Apodaca

Motion passed with a 4-0 vote

Motion and roll call vote to go back into the regular business meeting session

Motion made by Councilor Nelson to go back into the regular business meeting session with a roll call vote. Seconded by Councilor Apodaca at 9:12pm.

Councilor Gordon
Councilor Nelson
Councilor Marquez

Councilor Apodaca

Motion passed with a 4-0 vote

Welcome everyone back and statement by the Mayor: The Governing Body of the City of Rio Communities, New Mexico, hereby states that on March 11, 2024 a closed executive session was held for the purpose of discussion regarding limited personnel matters - complaints against the City Manager and the Assistant to the City Manager pursuant to NMSA SECTION 10 – 15-1(H)(2).

Motion made by Councilor Apodaca to approve the statement by the Mayor as read. Seconded by

Councilor Nelson.
Councilor Gordon
Councilor Nelson
Councilor Marquez
Councilor Apodaca

Motion passed with a 4-0 vote

Adjourn

Motion made by Councilor Nelson to adjourn. Seconded by councilor Apodaca. With a unanimous vote the regular business meeting was adjourned at 9:14 pm.

Respectfully submitted,

Dr. Martin Moore, (Acting)Municipal Clerk
(Taken and Transcribed by Lalena Aragon, Deputy Clerk)

Date: _____

Approved:

Joshua Ramsell,
Mayor

Lawrence R. Gordon,
Mayor Pro-tem/Councilor

Arthur Apodaca,
Councilor

Thomas Nelson,
Councilor

Matthew Marquez,
Councilor



Accounts Payable Approval Report By Fund

Vendor Name	Payable Number	Post Date	Description (Item)	Amount
Fund: 11000 - General Operating Fund				
Department: 0001 - No Department				
GSD - Administrative Services ...	INV0004684	02/02/2024	DENTAL	454.99
GSD - Administrative Services ...	INV0004685	02/02/2024	DISABILITY	43.44
Globe Life & Accident Insuran...	INV0004686	02/02/2024	GLOBE LIFE INSURANCE	56.00
GSD - Administrative Services ...	INV0004687	02/02/2024	HEALTH	6,737.62
GSD - Administrative Services ...	INV0004688	02/02/2024	VISION	79.75
State of New Mexico Child Su...	INV0004692	02/02/2024	Case ID 000300363	101.54
State of New Mexico Child Su...	INV0004693	02/02/2024	Case ID 000177753	138.46
GSD - Administrative Services ...	INV0004733	02/16/2024	ADMIN FEE	21.00
GSD - Administrative Services ...	INV0004734	02/16/2024	DENTAL	397.09
GSD - Administrative Services ...	INV0004735	02/16/2024	DISABILITY	43.44
Globe Life & Accident Insuran...	INV0004736	02/16/2024	GLOBE LIFE INSURANCE	56.00
GSD - Administrative Services ...	INV0004737	02/16/2024	HEALTH	5,880.05
GSD - Administrative Services ...	INV0004738	02/16/2024	BASIC LIFE	68.04
GSD - Administrative Services ...	INV0004739	02/16/2024	VISION	69.59
State of New Mexico Child Su...	INV0004743	02/16/2024	Case ID 000300363	101.54
State of New Mexico Child Su...	INV0004744	02/16/2024	Case ID 000177753	138.46
Department 0001 - No Department Total:				14,387.01
Department: 1001 - Governing Body				
AT & T Mobility	287334080831X02262024	03/14/2024	Mayor Joshua Ramsell - Phone	52.39
Department 1001 - Governing Body Total:				52.39
Department: 2001 - Manager				
WEX Bank	95604548	03/04/2024	CM Fuel	46.37
Verizon Wireless	9957151740	03/04/2024	City Manager	40.01
AT & T Mobility	287334080831X02262024	03/14/2024	City Manager Dept Cell Phones	132.42
Department 2001 - Manager Total:				218.80
Department: 2002 - General Administration				
Aqua3, LLC.	132493	03/04/2024	24 Pack Cases of Water (4/mo...	56.80
Aqua3, LLC.	132493	03/04/2024	5 Gallon Water Bottles (4/Mo...	41.40
NM Local Government Law	1697	03/04/2024	Legal Services -FY 2023-2024	5,359.73
Comcast Business	194924697	03/04/2024	City Hall -Fiber	478.28
Amazon Business	1QVC-JY6L-DQ66	03/04/2024	Lysol/Fabuloso/Urinal Deodori...	118.19
Sharp Electronics Corporation	9004742112	03/04/2024	Contract# 800595693 - Aquos...	274.50
Sharp Electronics Corporation	9004742114	03/04/2024	City Hall Copies	221.11
CIVICPLUS	294529	03/14/2024	Municode Meetings Premium...	3,400.00
Wells Fargo Financial Leasing	5028943022	03/14/2024	CH Server Lease - Contract #8...	2,497.73
Rentokil North America Inc.	58614960	03/14/2024	City Hall - Pest Control	180.59
Sharp Electronics Corporation	9004763640	03/14/2024	City Hall & Fire Dept. VOIP	645.01
Sharp Electronics Corporation	9004766279	03/14/2024	CH Help Desk - Contract #800...	285.00
NM Gas Co	INV0004773	03/14/2024	GAS- Utilities	1,017.44
Albuquerque Publishing Co.	INV0004810	03/14/2024	Engineering RFP - Albuquerqu...	262.35
Albuquerque Publishing Co.	INV0004810	03/14/2024	Engineering RFP - El Defensor ...	260.52
Albuquerque Publishing Co.	INV0004810	03/14/2024	Engineering RFP - News Bullet...	261.73
PNM	INV0004783	03/18/2024	CH-Electricity - Utilities	588.54
Comcast Business	INV0004791	03/18/2024	City Hall Telecommunications	578.39
NM Water Service Company	INV0004794	03/18/2024	Water - Utilities	337.33
USPS	INV0004812	03/19/2024	USPS Renewal-Marketing Mail	320.00
Department 2002 - General Administration Total:				17,184.64
Department: 2004 - Finance/Budget/Accounting				
Verizon Wireless	9957151740	03/04/2024	Finance	121.17
NM Municipal Clerks & Financ...	6972	03/14/2024	NM Muni. Clerks & Finance Of...	225.00

Accounts Payable Approval Report

Vendor Name	Payable Number	Post Date	Description (Item)	Amount
Sharp Electronics Corporation	SH620318	03/14/2024	Finance Department Copies	193.39
Department 2004 - Finance/Budget/Accounting Total:				539.56
Department: 2008 - Municipal Clerk				
Amazon Business	1HHL-3H3D-JN9G	03/04/2024	Clerks Office Supplies	84.97
Amazon Business	1RTJ-QNFC-97HR	03/04/2024	Clerks Office Supplies	51.95
Albuquerque Publishing Co.	INV0004792	03/04/2024	February 2024 Municipal Clerk..	938.83
Gayle A. Jones	March 4,2024	03/04/2024	Clerk's Office Training	1,450.41
Amazon Business	1PMX-4LTY-6FKD	03/14/2024	Clerks Office Supplies	123.58
Department 2008 - Municipal Clerk Total:				2,649.74
Department: 2014 - Economic Development				
Sherman & Howard, LLC.	886160	03/04/2024	ED & LEDA Policies	14,036.28
Department 2014 - Economic Development Total:				14,036.28
Department: 3001 - Law Enforcement				
Garcia & Sons Security	0242	03/04/2024	Lock Cylinder & Rekey - PD Do...	174.65
Amazon Business	13NJ-QRLD-NY47	03/04/2024	RIFLECASE/SHOTGUNSLING	85.92
Amazon Business	13NJ-QRLD-NY47	03/04/2024	2 PHONE SCREEN PROTECTOER	61.25
Amazon Business	1RM9-XLLJ-1G76	03/04/2024	CANON CAMERA W/ TRIPOD/...	419.00
UniqueFleet, LLC.	22733	03/04/2024	REPLACE FRONT WINDSHIED ...	419.99
UniqueFleet, LLC.	22734	03/04/2024	OPEN PO FOR OIL CHANGES/...	172.90
TLC Uniforms	273663	03/04/2024	UNIFORMS	442.92
Sharp Electronics Corporation	9004683603	03/04/2024	Addition of user UCAAS Adde...	10.00
Sharp Electronics Corporation	9004742113	03/04/2024	RMM & Help Desk Service	138.00
Sharp Electronics Corporation	9004742113	03/04/2024	Contract# 800608808 - PD Hel...	468.00
Sharp Electronics Corporation	9004742113	03/04/2024	EDR License % Soc. Service-De...	655.00
WEX Bank	95604548	03/04/2024	PD Fuel	688.13
Albuquerque Publishing Co.	INV0004792	03/04/2024	February 2024 - Police Officer...	936.68
Seth Howe	1	03/14/2024	VIDEOGRAPHY SERVICES FOR ...	654.15
AT & T Mobility	287334080831X02262024	03/14/2024	Police Phones/Internet Boxes	120.12
AT & T Mobility	287334080831X02262024	03/14/2024	Police Telecommunications	179.71
NM Municipal League	6958	03/14/2024	F.Nunez PD Chief Dues	15.00
Angel Armor, LLC.	INV8825-NAS	03/14/2024	BULLET PROOF VEST RPC, BLA...	1,293.00
Sharp Electronics Corporation	Sh620319	03/14/2024	Police Dept. Copies	198.71
Sharp Electronics Corporation	SH620320	03/14/2024	Fax Expansion Kit	23.41
Department 3001 - Law Enforcement Total:				7,156.54
Department: 3002 - Fire Protection				
AT & T Mobility	287334080831X02262024	03/14/2024	Code/Fire/EMS Telecommuni...	32.74
Department 3002 - Fire Protection Total:				32.74
Department: 3004 - Animal Control				
Valencia County Fiscal Office	AC2024-39	03/04/2024	Animal Control	3,040.35
Department 3004 - Animal Control Total:				3,040.35
Department: 4004 - Library				
Sharp Electronics Corporation	9004742112	03/04/2024	Contract# 800595693 - Aquos...	137.25
Department 4004 - Library Total:				137.25
Department: 5101 - Public Works				
Woodlands Hardware	012588/1	02/20/2024	Various Supplies	91.45
Napa Auto Parts	512587	02/27/2024	Public Works auto supplies	284.31
Woodlands Hardware	012655/1	03/04/2024	Various Supplies	17.99
Maloy Mobile Storage Inc.	0323221-IN	03/04/2024	40' Storage Container Serial#8...	243.68
Craig Independent Tire Co.	140417	03/04/2024	Vehicle Tire Repair	22.21
Able & Willies One Stop Shop, ...1561		03/04/2024	Public Works shirts	505.00
UniqueFleet, LLC.	22446	03/04/2024	Preventative Maint PW Vehicl...	458.50
WEX Bank	95604548	03/04/2024	PW Fuel	845.64
Verizon Wireless	9957151740	03/04/2024	Public Works	162.32
Woodlands Hardware	012716/1	03/14/2024	Various Supplies	4.72
Woodlands Hardware	012729/1	03/14/2024	Various Supplies	60.34
Maloy Mobile Storage Inc.	0322913-IN	03/14/2024	40' Storage Container Serial#8...	243.68
UniqueFleet, LLC.	22670	03/14/2024	Preventative Maint PW Vehicl...	707.85
UniqueFleet, LLC.	22740	03/14/2024	Preventative Maint PW Vehicl...	4,663.28

Accounts Payable Approval Report

Vendor Name	Payable Number	Post Date	Description (Item)	Amount
AT & T Mobility	287334080831X02262024	03/14/2024	Public Works Phones	52.39
Department 5101 - Public Works Total:				8,363.36
Department: 5104 - Highways and Streets				
PNM	INV0004771	02/27/2024	Streetlights - Electricity - Utilit...	32.92
PNM	INV0004772	02/27/2024	Streetlights - Electricity - Utilit...	77.20
Tabet Lumber Co, Inc.	37211	03/14/2024	cement for side walk repair	66.26
Tabet Lumber Co, Inc.	8293	03/14/2024	cement for side walk repair	375.00
PNM	INV0004786	03/18/2024	Streetlights - Electricity - Utilit...	37.14
PNM	INV0004787	03/18/2024	Streetlights - Electricity - Utilit...	143.24
PNM	INV0004788	03/18/2024	Streetlights - Electricity - Utilit...	85.28
PNM	INV0004789	03/18/2024	Streetlights - Electricity - Utilit...	173.95
PNM	INV0004790	03/18/2024	Streetlights - Electricity - Utilit...	180.61
Department 5104 - Highways and Streets Total:				1,171.60
Fund 11000 - General Operating Fund Total:				68,970.26
Fund: 20200 - Environmental				
Department: 5009 - Environmental				
Universal Waste Systems, Inc.	0002836479	03/04/2024	Clean Up day-Dumpsters	364.98
Department 5009 - Environmental Total:				364.98
Fund 20200 - Environmental Total:				364.98
Fund: 20900 - Fire Protection				
Department: 3002 - Fire Protection				
Linde Gas & Equipment Inc.	41215247	02/20/2024	Oxygen Bottles	198.54
411 Equipment, LLC	0002653	03/04/2024	work on Tender 1-7	1,206.26
Woodlands Hardware	012599/1	03/04/2024	Various Supplies	74.80
Woodlands Hardware	012618/1	03/04/2024	Various Supplies	35.78
Woodlands Hardware	012619/1	03/04/2024	Various Supplies	25.63
Woodlands Hardware	012623/1	03/04/2024	Various Supplies	13.18
Woodlands Hardware	012646/1	03/04/2024	Various Supplies	6.69
Woodlands Hardware	012701/1	03/04/2024	Various Supplies	24.61
Armando Romero	2	03/04/2024	auto detail	1,181.32
UniqueFleet, LLC.	22665	03/04/2024	Preventative Maint on Fire Ve...	1,123.07
UniqueFleet, LLC.	22666	03/04/2024	Preventative Maint on Fire Ve...	1,642.22
UniqueFleet, LLC.	22667	03/04/2024	Preventative Maint on Fire Ve...	680.95
UniqueFleet, LLC.	22668	03/04/2024	Preventative Maint on Fire Ve...	1,421.29
UniqueFleet, LLC.	22669	03/04/2024	Preventative Maint on Fire Ve...	1,236.45
UniqueFleet, LLC.	22671	03/04/2024	Preventative Maint on Fire Ve...	940.07
UniqueFleet, LLC.	22672	03/04/2024	Preventative Maint on Fire Ve...	1,361.33
UniqueFleet, LLC.	22673	03/04/2024	Preventative Maint on Fire Ve...	1,266.44
TLC Uniforms	273142	03/04/2024	Blanket PO	7,290.01
Design Silk Screen Printers, LL...	36529	03/04/2024	Silk changes for fire units	7,140.00
Napa Auto Parts	513022	03/04/2024	Auto Supplies	245.69
Napa Auto Parts	513235	03/04/2024	Auto Supplies	88.89
Napa Auto Parts	513331	03/04/2024	Auto Supplies	66.89
Napa Auto Parts	513332	03/04/2024	Auto Supplies	19.49
Napa Auto Parts	513343	03/04/2024	Auto Supplies	48.24
Napa Auto Parts	513349	03/04/2024	Auto Supplies	55.76
Rentokil North America Inc.	58615100	03/04/2024	Fire Dept. - Pest Control	144.04
Rentokil North America Inc.	58615216	03/04/2024	Fire Dept. - Pest Control	141.81
eSchedule, Inc	6312	03/04/2024	renew	2,358.72
Sharp Electronics Corporation	9004742111	03/04/2024	Fire Dept Help Desk & Server...	1,301.00
Sharp Electronics Corporation	9004742112	03/04/2024	Contract# 800595693 - Aquos...	137.25
WEX Bank	95604548	03/04/2024	Fire Dept.	825.77
Verizon Wireless	9957151740	03/04/2024	Fire Department	120.03
TLC Plumbing & Utility Comme..	CH581136-1	03/04/2024	Fire Dept - HVAC Repair	409.37
Woodlands Hardware	012732/1	03/14/2024	Various Supplies	5.44
Code 3 Service	240159	03/14/2024	700 Radios	84,003.92
AT & T Mobility	287334080831X02262024	03/14/2024	Fire Phones	157.27
AT & T Mobility	287334080831X02262024	03/14/2024	Fire Telecommunications	120.12
Waterway of NM, LLC.	3551	03/14/2024	yearly testing of apparatus an...	4,105.89

Accounts Payable Approval Report

Vendor Name	Payable Number	Post Date	Description (Item)	Amount
Home Depot	48437	03/14/2024	Supplies	98.37
Home Depot	49963	03/14/2024	Supplies	30.36
Southern Tire Mart, LLC.	5020086360	03/14/2024	new tires	3,201.77
Napa Auto Parts	513931	03/14/2024	Auto Supplies	33.53
NM Gas Co	INV0004774	03/14/2024	GAS- Utilities	495.85
Century Link	INV0004811	03/14/2024	FD/Substation - Telephone ser...	157.18
PNM	INV0004782	03/18/2024	FD-Electricity - Utilities	525.91
NM Water Service Company	INV0004793	03/18/2024	Water - Utilities	71.43
PNM	INV0004785	03/19/2024	FD-Electricity - Utilities	411.26
Comcast Business	INV0004805	03/26/2024	Fire Dept. Telecommunications	299.98
Department 3002 - Fire Protection Total:				126,549.87
Fund 29000 - Fire Protection Total:				126,549.87

Fund: 26000 - American Rescue Plan Act

Department: 2002 - General Administration

HEI, Inc	JC3836	03/14/2024	Police Department Security Sy...	876.09
HEI, Inc	JC3837	03/14/2024	Fire Department Admin Securi...	594.25
HEI, Inc	JC3838	03/14/2024	City Hall Security System	15,499.95
HEI, Inc	JC3839	03/14/2024	Security at Station #1	20,569.98
Department 2002 - General Administration Total:				37,540.27
Fund 26000 - American Rescue Plan Act Total:				37,540.27

Fund: 29700 - County EMS GRT

Department: 2002 - General Administration

Boundtree Medical	85269175	03/04/2024	Medical Supplies	174.93
WEX Bank	95604548	03/04/2024	EMS Fuel	386.03
Verizon Wireless	9957151740	03/04/2024	EMS	81.32
AT & T Mobility	287334080831X02262024	03/14/2024	EMT Phones	104.78
AT & T Mobility	287334080831X02262024	03/14/2024	EMT Telecommunications	49.98
Department 2002 - General Administration Total:				797.04
Fund 29700 - County EMS GRT Total:				797.04

Fund: 30300 - State Legislative Appropriation Project

Department: 2002 - General Administration

H&M 116 Rock Products, LLC.	3980	02/20/2024	Crusher Fines/River Rock Cha...	2,240.00
Trenton Parnell	779327	03/14/2024	Fencing for Chamisa Park	13,924.44
Department 2002 - General Administration Total:				16,164.44
Fund 30300 - State Legislative Appropriation Project Total:				16,164.44

Fund: 30400 - Road/Street Projects

Department: 2002 - General Administration

HDR Engineering, Inc.	12005987446 A	03/04/2024	NM GRT (7.625%)	94.52
HDR Engineering, Inc.	12005987446 A	03/04/2024	Task 1- Project Management	436.50
HDR Engineering, Inc.	12005987446 A	03/04/2024	Task 2- Construction Related ...	803.10
HDR Engineering, Inc.	1200602491	03/14/2024	Task 7 - Subconsultant Cobb F...	6,533.20
HDR Engineering, Inc.	1200602491	03/14/2024	Task 3 - Preliminary & Final De...	6,488.30
HDR Engineering, Inc.	1200602491	03/14/2024	Task 1 - Project Management	4,509.50
HDR Engineering, Inc.	1200602491	03/14/2024	Subconsultant Mark-Up	653.32
HDR Engineering, Inc.	1200602491	03/14/2024	GRT (7.6250%)	1,386.55
HDR Engineering, Inc.	1200602505	03/14/2024	Task 1 -Project Management	1,456.08
HDR Engineering, Inc.	1200602505	03/14/2024	Task 3 - Preliminary & Final De...	13,081.81
HDR Engineering, Inc.	1200602505	03/14/2024	GRT (7.7500%)	1,119.54
HDR Engineering, Inc.	1200602505	03/14/2024	Expenses General	144.60
Department 2002 - General Administration Total:				36,707.02
Fund 30400 - Road/Street Projects Total:				36,707.02

Fund: 39900 - Other Capital Projects

Department: 2002 - General Administration

HDR Engineering, Inc.	1200598746 B	03/04/2024	GRT @ 7.8750%	62.34
HDR Engineering, Inc.	1200598746 B	03/04/2024	Direct Expenses	183.96
HDR Engineering, Inc.	1200598746 B	03/04/2024	Task 5 Construction Observati...	633.60
HDR Engineering, Inc.	1200601096	03/04/2024	On-Call Engineering Services	688.80

Accounts Payable Approval Report

Vendor Name	Payable Number	Post Date	Description (Item)	Amount
HEI, Inc	JC3839	03/14/2024	Security at Station #2	9,504.75
HEI, Inc	JC3839	03/14/2024	Security at Station #1	3,100.88
HEI, Inc	SRVCE10685	03/14/2024	Camera Monitoring System for..	<u>2,345.10</u>
			Department 2002 - General Administration Total:	<u>16,519.43</u>
			Fund 39900 - Other Capital Projects Total:	<u>16,519.43</u>
			Grand Total:	<u><u>303,613.31</u></u>

Fund Summary

Fund	Expense Amount
11000 - General Operating Fund	68,970.26
20200 - Environmental	364.98
20900 - Fire Protection	126,549.87
26000 - American Rescue Plan Act	37,540.27
29700 - County EMS GRT	797.04
30300 - State Legislative Appropriation Project	16,164.44
30400 - Road/Street Projects	36,707.02
39900 - Other Capital Projects	16,519.43
Grand Total:	303,613.31

Account Summary

Account Number	Account Name	Expense Amount
11000-0001-22040	Garnishments Payable	480.00
11000-0001-22050	Healthcare Insurance Pa...	12,638.67
11000-0001-22055	Dental Insurance Payable	852.08
11000-0001-22060	Vision Insurance Payable	149.34
11000-0001-22070	Life Insurance Payable	68.04
11000-0001-22075	Disability Payable	86.88
11000-0001-22080	Miscellaneous Employee...	112.00
11000-1001-56040	Supplies-Furniture/Fixtu...	52.39
11000-2001-56040	Supplies-Furniture/Fixtu...	132.42
11000-2001-56120	Supplies - Vehicle Fuel	46.37
11000-2001-57160	Telecommunications	40.01
11000-2002-55020	Contract - Attorney Fees	5,359.73
11000-2002-55030	Contract - Professional S...	1,385.10
11000-2002-56010	Software	3,400.00
11000-2002-56050	Supplies - Janitorial/Mai...	118.19
11000-2002-56060	Supplies - Kitchen	98.20
11000-2002-57080	Postage	320.00
11000-2002-57090	Printing/Publishing/Adve...	1,005.71
11000-2002-57130	Rent of Equipment/Mach..	2,497.73
11000-2002-57160	Telecommunications	1,056.67
11000-2002-57170	Utilities - Electricity	588.54
11000-2002-57171	Utilities - Natural Gas	1,017.44
11000-2002-57173	Utilities - Water	337.33
11000-2004-57050	Employee Training	225.00
11000-2004-57090	Printing/Publishing/Adve...	193.39
11000-2004-57160	Telecommunications	121.17
11000-2008-55030	Contract - Professional S...	1,450.41
11000-2008-56020	Supplies - General Office	260.50
11000-2008-57090	Printing/Publishing/Adve...	938.83
11000-2014-55030	Contract - Professional S...	14,036.28
11000-3001-54010	Maintenance & Repairs -...	174.65
11000-3001-54040	Maintenance & Repairs -...	592.89
11000-3001-55030	Contract - Professional S...	1,260.15
11000-3001-56010	Software	665.00
11000-3001-56030	Supplies - Field Supplies	1,797.92
11000-3001-56040	Supplies-Furniture/Fixtu...	120.12
11000-3001-56110	Supplies - Uniforms/Linen	442.92
11000-3001-56120	Supplies - Vehicle Fuel	688.13
11000-3001-56999	Supplies - Other	61.25
11000-3001-57090	Printing/Publishing/Adve...	1,135.39
11000-3001-57150	Subscriptions & Dues	15.00
11000-3001-57160	Telecommunications	203.12
11000-3002-57160	Telecommunications	32.74
11000-3004-55999	Contract - Other Services	3,040.35
11000-4004-55030	Contract - Professional S...	137.25

Accounts Payable Approval Report

Account Summary

Account Number	Account Name	Expense Amount
11000-5101-54040	Maintenance & Repairs -...	6,113.94
11000-5101-55999	Contract - Other Services	487.36
11000-5101-56030	Supplies - Field Supplies	174.50
11000-5101-56040	Supplies-Furniture/Fixtu...	52.39
11000-5101-56110	Supplies - Uniforms/Linen	505.00
11000-5101-56120	Supplies - Vehicle Fuel	845.64
11000-5101-56122	Supplies - Vehicle Tires	22.21
11000-5101-57160	Telecommunications	162.32
11000-5104-56030	Supplies - Field Supplies	441.26
11000-5104-57170	Utilities - Electricity	730.34
20200-5009-55999	Contract - Other Services	364.98
20900-3002-54040	Maintenance & Repairs -...	11,436.57
20900-3002-54050	Maintenance & Repair - ...	409.37
20900-3002-54999	Other Maintenance	1,181.32
20900-3002-55030	Contract - Professional S...	1,724.10
20900-3002-55999	Contract - Other Services	4,105.89
20900-3002-56010	Software	2,358.72
20900-3002-56030	Supplies - Field Supplies	18,016.45
20900-3002-56040	Supplies-Furniture/Fixtu...	286.00
20900-3002-56120	Supplies - Vehicle Fuel	825.77
20900-3002-57160	Telecommunications	697.31
20900-3002-57170	Utilities - Electricity	937.17
20900-3002-57171	Utilities - Natural Gas	495.85
20900-3002-57173	Utilities - Water	71.43
20900-3002-58020	Equipment & Machinery	84,003.92
26000-2002-58010	Buildings & Structures	20,569.98
26000-2002-58020	Equipment & Machinery	16,970.29
29700-2002-56040	Supplies-Furniture/Fixtu...	104.78
29700-2002-56070	Supplies - Medical	174.93
29700-2002-56120	Supplies - Vehicle Fuel	386.03
29700-2002-57160	Telecommunications	131.30
30300-2002-58999	Other Capital Purchases	16,164.44
30400-2002-55030	Contract - Professional S...	36,707.02
39900-2002-55030	Contract - Professional S...	1,568.70
39900-2002-58010	Buildings & Structures	14,950.73
	Grand Total:	303,613.31

Project Account Summary

Project Account Key	Expense Amount
None	239,647.33
2021-040-002-50000	1,334.12
D19427-50000	14,345.95
D19841-50000	19,570.87
F2949-50000	2,240.00
FRF-RIOCOM-075-50000	26,475.04
	Grand Total:
	303,613.31

MAYOR & COUNCILORS

JOSHUA RAMSELL, MAYOR

LAWRENCE GORDON, COUNCILOR

ARTHUR APODACA, COUNCILOR

MATTHEW MARQUEZ, COUNCILOR

THOMAS NELSON, COUNCILOR

ATTEST:



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP BANK CODE-AP BANK CODE						
VEN04185	Amazon Business	03/20/2024	EFT	0.00	123.58	
VEN04527	Sharp Electronics Corporation	03/20/2024	EFT	0.00	1,345.52	
VEN04546	Tabet Lumber Co, Inc.	03/20/2024	Regular	0.00	441.26	
VEN04886	Trenton Parnell	03/20/2024	EFT	0.00	13,924.44	
VEN04573	Universal Waste Systems, Inc.	03/20/2024	Regular	0.00	364.98	
VEN04417	Napa Auto Parts	03/20/2024	Regular	0.00	33.53	
VEN04880	Angel Armor, LLC.	03/20/2024	EFT	0.00	1,293.00	
VEN04245	Code 3 Service	03/20/2024	EFT	0.00	84,003.92	
VEN04596	Waterway of NM, LLC.	03/20/2024	Regular	0.00	4,105.89	
VEN04680	HEI, Inc	03/20/2024	EFT	0.00	52,491.00	
VEN04755	Southern Tire Mart, LLC.	03/20/2024	EFT	0.00	3,201.77	
VEN04603	Woodlands Hardware	03/20/2024	Regular	0.00	95.11	
VEN04598	Wells Fargo Financial Leasing	03/20/2024	Regular	0.00	2,497.73	
VEN04335	Home Depot	03/20/2024	Regular	0.00	128.73	
VEN04477	Rentokil North America Inc.	03/20/2024	EFT	0.00	466.44	
VEN04231	Century Link	03/20/2024	Regular	0.00	157.18	
VEN04620	HDR Engineering, Inc.	03/20/2024	EFT	0.00	35,372.90	
VEN04625	411 Equipment, LLC	03/20/2024	EFT	0.00	1,206.26	
VEN04663	UniqueFleet, LLC.	03/20/2024	EFT	0.00	5,964.02	
VEN04709	Maloy Mobile Storage Inc.	03/20/2024	EFT	0.00	243.68	
VEN04875	Armando Romero	03/20/2024	EFT	0.00	1,181.32	
VEN04454	NM Municipal League	03/20/2024	Regular	0.00	15.00	
VEN04751	CIVICPLUS	03/20/2024	EFT	0.00	3,400.00	
VEN04180	Albuquerque Publishing Co.	03/20/2024	EFT	0.00	784.60	
VEN04844	AT & T Mobility	03/20/2024	Regular	0.00	1,001.92	
VEN04580	USPS	03/20/2024	Regular	0.00	320.00	
VEN04453	NM Municipal Clerks & Finance Office	03/20/2024	Regular	0.00	225.00	
VEN04887	Seth Howe	03/20/2024	EFT	0.00	654.15	
VEN04249	Comcast Business	03/26/2024	Bank Draft	0.00	299.98	DFT0001103

Bank Code AP BANK CODE Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	17	12	0.00	9,386.33
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	1	1	0.00	299.98
EFT's	30	16	0.00	205,656.60
	48	29	0.00	215,342.91

Fund Summary

Fund	Name	Period	Amount
99000	Pooled Cash Fund	3/2024	215,342.91
			<hr/> 215,342.91

Authorization Signatures

CHECK REGISTER

This check register has been reviewed and verified for accuracy.

First Signor

Date

Second Signor

**STATE OF NEW MEXICO
CITY OF RIO COMMUNITES
RESOLUTION 2024-02
(FISCAL YEAR ENDING JUNE 30,2023)**

WHEREAS, the City of Rio Communities Governing Body has approved and accepted its statutory requirement authorizing an independent public auditor (SJT group, LLC, CPA). To perform the required annual financial audit for Fiscal Year 2022-2023

WHEREAS, this audit, upon its completion, has been presented to the City of Rio Communities' Governing Body per the authorization letter from the Office of the State Auditor dated March 4, 2024

WHEREAS, NMAC 2.2.2.10 (M) (4) provides, in pertinent part, "if applicable, once the audit report has been officially released to the agency by the Office of the State Auditor (by way of the letter), and the required waiting period of five calendar days has passed, unless waived by the agency, the audit report shall be presented to a quorum of the governing authority at a meeting held in accordance with Open Meeting Act:"

NOW THEREFORE, BE IT HEREBY RESOLVED that the Governing Body of the City of Rio Communities hereby accepts the completed audit report as indicated within the attached documents.

NOW BE IT FURTHER RESOLVED that the Governing Body of the City of Rio Communities hereby acknowledges the FY23 audit findings and accepts management's responses for correcting the findings.

ACCEPTED AND APPROVED this 25th day of March 2024 in regular business session by the City of Rio Communities' Governing Body.

**City of Rio Communities
Governing Body**

Joshua Ramsell,
Mayor

Arthur Apodaca,
Councilor

Lawrence R. Gordon,
Councilor

Matthew Marquez,
Councilor

Thomas Nelson,
Councilor

ATTEST:

Martin Moore,(Acting) Municipal Clerk



SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS



State of New Mexico City of Rio Communities

Basic Financial Statements,
Supplementary Information,
and
Independent Auditor's Reports,
June 30, 2023

State of New Mexico

City of Rio Communities

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State of New Mexico City of Rio Communities

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State of New Mexico City of Rio Communities

Official Roster

Mayor and Council Members

Name	Title
Joshua Ramsell	Mayor
Margaret "Peggy" Gutjahr, CMO	Mayor Pro-Tem/Councilor
Arthur Apodaca	Councilor
Lawrence Gordon	Councilor
Jim Winters	Councilor

Administrative Officials

Name	Title
Martin D. Moore, PhD	City Manager
Stephanie Finch, CMC, CPO	Finance Officer/Treasurer
Elizabeth "Lisa" Adair, CMC	Municipal Clerk



Independent Auditor's Report

Joseph M. Maestas, P.E., New Mexico State Auditor
Joshua Ramsell, Mayor and the City Council
City of Rio Communities, New Mexico

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico, City of Rio Communities (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City'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, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position and the budgetary comparisons for the general fund, and the major special revenues funds of the City 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 City 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.

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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 City'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.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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 City'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 City'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 the management's discussion and analysis on pages 5-11 and, the schedule of the City's proportionate share of the net pension liability, schedule of pension contributions, and notes to required supplementary information related to pensions on pages 42-44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other schedules (the "Schedules") required by 2.2.2 NMAC on pages 45-49 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 Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of the City'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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

SJT Group LLC

Albuquerque, New Mexico
December 12, 2023

Management's Discussion and Analysis

State of New Mexico
City of Rio Communities
Management's Discussion and Analysis
For the Year Ended June 30, 2023

As management of the City of Rio Communities (the "City"), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements of the City, which follows this section of the report.

Financial Highlights

- ◆ The assets of the City exceeded its liabilities at June 30, 2023, by \$12.9 million (net position). Of this amount, \$2 million (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors. Additionally, \$667,000 (restricted net position) is restricted specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Lastly, \$10.2 million (net investment in capital assets) represents the City's investment in capital assets net of related debt.
- ◆ The City's net position increased by \$900,000 or 8% in fiscal year 2023. The change is due to increases in capital grants and contributions.
- ◆ Virtually all of the City's revenues during fiscal years 2023 and 2022 were from state and local taxes (i.e. gross receipts, property, franchise), as well as state operating and capital grants.
- ◆ The City had \$3.5 million of expenditures related to governmental activities; \$3 million of these expenses were offset by program specific charges for services, grants, and contributions. General revenues (primarily consisting of gross receipts taxes, property taxes, and franchise taxes) of \$1.3 million were adequate to cover program specific expenses.

Overview of the Financial Report

The City's financial statements are comprised of four components: 1) *Management's Discussion and Analysis* (this section), 2) the *Basic Financial Statements*, 3) *Other Supplementary Information* and 4) the *Compliance Section*. The basic financial statements include two kinds of statements (government-wide financial statements and fund financial statements) that present different views of the City.

The first two statements, the statement of net position and the statement of activities, are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status. *Fund financial statements* report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detail. The financial statements are followed by *Other Supplementary Information*, which includes schedules required by 2.2.2 NMAC, as well as the *Compliance Section*, which presents the City's schedule of findings and responses and a schedule presenting the current year status of prior year audit findings (if any).

State of New Mexico
City of Rio Communities
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Government-Wide Financial Statements

The statement of net position and the statement of activities report information about the City as a whole. All of the City's activities are reported as governmental activities. These activities are financed primarily through state and local taxes as well state operating grants. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. You can think of the City's net position, the difference between assets and liabilities, as one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such influences from state or federal agencies, should be considered in addition to net position in measuring the City's financial health.

Fund Financial Statements

The fund financial statements provide detailed information about the City's most significant funds – not the City as a whole. Separate funds are established by the City to help control and manage revenues and expenditures for particular purposes or to show that the City is meeting legal responsibilities for using certain money. Additionally, separate funds are maintained to protect against the possibility of co-mingling funds.

Governmental funds focus on how cash and other financial assets flow in and out, with the balances that are left at year-end available for future spending. Governmental funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Consequently, the governmental fund financial statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information in a reconciliation schedule that explains the relationship (or differences) between the amounts reported in the statement of net position and the statement of activities and the governmental funds financial statements.

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances for the City's five major government funds. Financial information from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining financial statements elsewhere in this report.

State of New Mexico
City of Rio Communities
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Budgetary comparison schedules, or the Statement of Revenue and Expenditures - Budget and Actual (on the City's budgetary basis), reports the original approved budget, final approved budget, and actual results presented on a budgetary basis of accounting for the City's general fund and major special revenue funds. A separate column is presented to report variances between the final approved budget and actual amounts.

Government-Wide Financial Analysis

Net Position. Table 1 reflects the condensed statement of net position as of June 30, 2023 and 2022.

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	2023	2022
Assets		
Current assets	\$ 3,650,338	\$ 3,717,467
Capital assets, net	10,554,110	9,264,761
Right-of-use assets, net	163,558	62,821
Total assets	14,368,006	13,045,049
Deferred Outflows of Resources		
Deferred outflows - pensions	461,346	272,563
Total deferred outflows of resources	461,346	272,563
Liabilities		
Current liabilities	761,798	629,639
Compensated absences	29,443	18,212
Long-term debt	450,665	340,684
Net pension liability	669,369	228,882
Total liabilities	1,911,275	1,217,417
Deferred inflows of Resources		
Deferred inflows - pensions	12,317	94,841
Total deferred inflows of resources	12,317	94,841
Net Position		
Net investment in capital assets	10,216,148	8,960,106
Restricted	667,046	369,157
Unrestricted	2,022,566	2,676,091
Total net position	\$ 12,905,760	\$ 12,005,354

State of New Mexico
City of Rio Communities
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The City's current assets are made up primarily of cash of \$2.9 million. The City's other significant asset is capital assets, which had a balance of \$10.6 million, net of accumulated depreciation, at June 30, 2023.

The City's current liabilities are primarily made up of unearned revenue of \$625,833 related to federal grant monies received in advance. Also included in current liabilities are accounts payable of \$52,035 and payroll liabilities of \$32,414. This includes accrued salaries, payroll taxes and benefits as of June 30, 2023.

Changes in Net Position. Table 2 summarizes the City's change in net position for the years ended June 30, 2023 and 2022.

TABLE 2
CONDENSED STATEMENT OF ACTIVITIES

	2023	2022
Revenues		
Charges for services	\$ 185	\$ 225
Operating grants and contributions	1,124,025	900,035
Capital grants and contributions	1,890,469	801,480
Taxes	1,239,931	1,183,752
Contributions/donations	-	331,413
Other	104,393	56,918
Total revenues	4,359,003	3,273,823
Expenses		
General government	1,639,659	1,030,802
Public safety	1,071,637	980,107
Public works	683,015	607,501
Culture and recreation	57,540	77,457
Interest	6,746	1,599
Total expenses	3,458,597	2,697,466
Change in net position	\$ 900,406	\$ 576,357

During fiscal year 2023, net position increased by \$900,406. The increase was due to an increase in capital grants received for the purchase of fire protection equipment, road improvements, and City Hall renovations.

State of New Mexico
City of Rio Communities
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Expenses totaled \$3.5 million and \$2.7 million during fiscal years 2023 and 2022, respectively. The City's expenditures were incurred primarily in the area of general government and public safety. General government expenditures comprised 47% and 38% of total expenditures during fiscal years 2023 and 2022, respectively. Public safety expenditures comprised 31% and 36% of total expenditures during fiscal years 2023 and 2022, respectively.

Financial Analysis of the City's Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, *unassigned fund balance* may serve as a useful measure of a governmental fund's net resources available for spending at the end of the fiscal year. Governmental funds reported by the City include the general fund, special revenue funds, a capital projects fund, and a debt service fund.

Revenues for governmental funds overall totaled \$4.4 million in fiscal year 2023, which represents an increase of \$1.1 million from fiscal year 2022. This is largely due to federal grants totaling \$496,360 that were expended in fiscal year 2023. The City did recognize any federal revenues in fiscal year 2022. There was also an increase of \$530,709 in state appropriation revenue. Expenditures for governmental funds in fiscal year 2023 totaled \$4.7 million an increase of \$1.5 million from fiscal year 2022. This is largely due to an increase in general government and capital outlay expenditures. In fiscal year 2023, expenditures of governmental funds exceeded revenues by \$376,718.

The general fund is the chief operating fund of the City. It is from here that the City pays for the public safety and other basic services it provides to its citizens. At the end of fiscal year 2023, unassigned fund balance of the general fund was \$1.6 million.

Overall, the general fund's performance resulted in revenues exceeding expenditures in fiscal year 2023 by \$139,663. This increase is primarily due to increases in tax revenues and investment income. The City's general fund experienced an overall decrease in fund balance of \$771,666 due to increased transfers out to other funds.

General Fund Budgetary Highlights

The City's final approved budget for expenditures totaled \$1.7 million for the general fund. The general fund budget represents an increase of \$250,000 when compared to the approved budget from fiscal year 2022, which is mainly caused by an increase in gross receipts taxes revenue. Actual budgetary basis expenditures for the general fund in fiscal year 2023 totaled \$1.5 million representing a positive variance of \$173,000.

State of New Mexico
City of Rio Communities
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Capital Assets

The City's capital assets including leases for right-of-use assets as of June 30, 2023 amount to \$10.7 million (net of accumulated depreciation and amortization). Capital assets include land, water rights, right-of-use computer and server equipment, infrastructure, buildings and improvements, equipment and machinery, and vehicles, as follows:

	<u>2023</u>	<u>2022</u>
Land and water rights	\$ 234,865	\$ 234,865
Construction in progress	1,027,992	-
Right-of-use assets	286,211	129,977
Infrastructure	7,692,798	7,662,914
Buildings and improvements	3,039,472	2,865,019
Equipment and machinery	513,295	480,342
Software	74,681	62,936
Vehicles	2,301,403	1,497,394
Less: Acumulated depreciation/amortization	<u>(4,453,049)</u>	<u>(3,605,865)</u>
Total capital and right-of-use assets, net	<u>\$ 10,717,668</u>	<u>\$ 9,327,582</u>

For government-wide financial statement presentation purposes, all depreciable capital and right-of-use assets were depreciated and amortized from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 5 to the basic financial statements for more details regarding capital assets.

Long-Term Debt

At the end of fiscal year 2023, the City had two notes payable outstanding of approximately \$270,000 for the purchase of a fire tanker and \$132,000 for the purchase of two police cruisers and required equipment.

At June 30, 2023, the City also reported a compensated absences liability of \$30,000.

See Note 6 to the basic financial statements for more details about the City's long-term debt activity.

Economic Factors Affecting the Next Fiscal Year's Budget

The City of Rio Communities is located in Valencia County. Valencia County, like the rest of urban New Mexico, has a strong and balanced economy. Employment in the area has been stable for the past three years.

The City receives approximately 30 percent of its annual operating budget for governmental funds from gross receipts, property, and franchise taxes.

State of New Mexico
City of Rio Communities
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Requests for Information

This financial report is designed to provide a general overview of the City's finances and to provide accountability for funds the City receives. If you have any questions about this report, or need additional financial information, contact:

City of Rio Communities
360 Rio Communities Blvd.
Rio Communities, New Mexico 87002

Basic Financial Statements

Government-Wide Financial Statements

State of New Mexico
City of Rio Communities
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	\$ 2,877,812
Accounts receivable	<u>772,526</u>
Total current assets	3,650,338
Capital assets, net	10,554,110
Right-of-use assets, net	<u>163,558</u>
Total assets	<u>14,368,006</u>
Deferred Outflows of Resources	
Deferred outflows - pension	<u>461,346</u>
Total deferred outflows of resources	<u>461,346</u>
Liabilities	
Current liabilities	
Accounts payable	52,035
Accrued payroll liabilities	32,414
Accrued interest	661
Compensated absences	29,443
Unearned grant revenue	625,833
Lease liability, current portion	50,855
Notes payable, current portion	<u>56,044</u>
Total current liabilities	847,285
Lease liability, net of current portion	48,209
Notes payable, net of current portion	346,412
Net pension liability	<u>669,369</u>
Total liabilities	<u>1,911,275</u>
Deferred inflows of Resources	
Deferred inflows - pension	<u>12,317</u>
Total deferred inflows of resources	<u>12,317</u>
Net Position	
Net investment in capital assets	10,216,148
Restricted for:	
Public safety	213,587
Public works	317,738
Subsequent year's expenditures	135,721
Unrestricted	<u>2,022,566</u>
Total net position	<u>\$ 12,905,760</u>

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

State of New Mexico
City of Rio Communities
Statement of Activities
For the Year Ended June 30, 2023

	Program Revenues			Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				Net (Expenses) Revenues and Changes in Net Position
Governmental activities:				
General government	\$ (1,639,659)	\$ 185	\$ 474,867	\$ 1,890,469
Public safety	(1,071,637)	-	649,158	-
Public works	(683,015)	-	-	-
Culture and recreation	(57,540)	-	-	-
Interest	(6,746)	-	-	-
Total governmental activities	\$ (3,458,597)	\$ 185	\$ 1,124,025	\$ 1,890,469
General revenues:				
Gross receipt taxes				401,127
Property taxes				259,495
Franchise taxes				203,725
State shared taxes				375,584
Licenses and permits				11,920
Fines and forfeitures				1,876
Investment income				49,254
Other				41,343
Total general revenues				1,344,324
Change in net position				900,406
Net position, beginning of year				12,005,354
Net position, end of year				\$ 12,905,760

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

Governmental Funds Financial Statements

State of New Mexico
City of Rio Communities
Balance Sheet – Governmental Funds
June 30, 2023

	110	260	295	300	404		
	General	American	Bill Brown	Capital	Debt	Nonmajor	Total
	Fund	Rescue Plan	Parks, Recreation	Projects	Service	Governmental	Governmental
	Fund	Fund	and Public Works	Fund	Fund	Funds	Funds
	Fund	Fund	Fund	Fund	Fund	Funds	Funds
Assets							
Cash and cash equivalents	\$ 1,614,840	\$ 625,833	\$ 275,820	\$ 172,818	\$ 2,724	\$ 185,777	\$ 2,877,812
Accounts receivable	184,747	-	-	509,494	-	78,285	772,526
Total assets	<u>\$ 1,799,587</u>	<u>\$ 625,833</u>	<u>\$ 275,820</u>	<u>\$ 682,312</u>	<u>\$ 2,724</u>	<u>\$ 264,062</u>	<u>\$ 3,650,338</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$ 19,874	\$ -	\$ -	\$ 29,567	\$ -	\$ 2,594	\$ 52,035
Accrued payroll liabilities	26,451	-	-	-	-	5,963	32,414
Accrued interest	-	-	-	-	661	-	661
Unearned grant revenue	-	625,833	-	-	-	-	625,833
Total liabilities	<u>46,325</u>	<u>625,833</u>	<u>-</u>	<u>29,567</u>	<u>661</u>	<u>8,557</u>	<u>710,943</u>
Deferred inflows of resources							
Unavailable revenue - property taxes	<u>26,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,977</u>
Fund balances							
Restricted	135,721	-	275,820	-	-	255,505	667,046
Unassigned	1,590,564	-	-	652,745	2,063	-	2,245,372
Total fund balances	<u>1,726,285</u>	<u>-</u>	<u>275,820</u>	<u>652,745</u>	<u>2,063</u>	<u>255,505</u>	<u>2,912,418</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,799,587</u>	<u>\$ 625,833</u>	<u>\$ 275,820</u>	<u>\$ 682,312</u>	<u>\$ 2,724</u>	<u>\$ 264,062</u>	<u>\$ 3,650,338</u>

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

State of New Mexico
City of Rio Communities
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balance - governmental funds \$ 2,912,418

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

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

Capital and right-of-use assets	15,170,717	
Less accumulated depreciation/amortization	<u>(4,453,049)</u>	
		10,717,668

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Notes payable	(402,456)	
Compensated absences	(29,443)	
Lease liability	(99,064)	
Net pension liability	<u>(669,369)</u>	
		(1,200,332)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.

Deferred outflows - pensions		461,346
Deferred inflows - pensions		(12,317)

Delinquent property taxes not collected within sixty days after year-end are not considered "available" and are considered unavailable revenue in the governmental fund financial statements, but are considered revenue in the government-wide financial statements.

		<u>26,977</u>
Net position - governmental activities		<u><u>\$ 12,905,760</u></u>

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

State of New Mexico
City of Rio Communities
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2023

	110	260	295	300	404		
	General	American	Bill Brown	Capital	Debt	Nonmajor	Total
	Fund	Rescue Plan	Parks, Recreation	Projects	Service	Governmental	Governmental
		Fund	and Public Works	Fund	Fund	Funds	Funds
			Fund				
Revenues							
Gross receipt taxes	\$ 390,257	\$ -	\$ -	\$ -	\$ -	\$ 10,870	\$ 401,127
Property taxes	259,940	-	-	-	-	-	259,940
Franchise taxes	203,725	-	-	-	-	-	203,725
State shared taxes	366,379	-	-	-	-	9,205	375,584
Federal grants	-	496,360	-	-	-	-	496,360
State grants	380,230	-	-	362,051	-	649,158	1,391,439
State appropriations	-	-	-	1,126,695	-	-	1,126,695
Licenses and permits	11,920	-	-	-	-	-	11,920
Fines and forfeitures	1,390	-	-	-	-	486	1,876
Charges for services	185	-	-	-	-	-	185
Investment income	46,525	-	-	-	2,729	-	49,254
Other	21,282	-	-	-	-	20,061	41,343
Total revenues	1,681,833	496,360	-	1,488,746	2,729	689,780	4,359,448
Expenditures							
Current							
General government	867,041	94,637	-	207,137	-	31,767	1,200,582
Public safety	305,071	-	-	-	-	555,110	860,181
Public works	284,417	-	-	-	-	21,536	305,953
Culture and recreation	13,539	-	-	44,001	-	-	57,540
Debt service							
Principal	26,792	-	-	1,420	29,263	10,419	67,894
Interest	3,181	-	-	-	974	2,591	6,746
Capital outlay	42,129	401,723	50,503	1,649,216	-	93,699	2,237,270
Total expenditures	1,542,170	496,360	50,503	1,901,774	30,237	715,122	4,736,166
Excess (deficiency) of revenues over expenditures	139,663	-	(50,503)	(413,028)	(27,508)	(25,342)	(376,718)
Other Financing Sources (Uses)							
Transfers in	151,440	-	-	1,040,779	30,232	21,990	1,244,441
Transfers out	(1,062,769)	-	-	(129,502)	-	(52,170)	(1,244,441)
Proceeds from leases	-	-	-	29,006	-	41,213	70,219
Proceeds from notes issued	-	-	-	131,719	-	-	131,719
Total other financing sources (uses)	(911,329)	-	-	1,072,002	30,232	11,033	201,938
Net change in fund balances	(771,666)	-	(50,503)	658,974	2,724	(14,309)	(174,780)
Fund balances (deficits), beginning of year	2,497,951	-	326,323	(6,229)	(661)	269,814	3,087,198
Fund balances, end of year	\$ 1,726,285	\$ -	\$ 275,820	\$ 652,745	\$ 2,063	\$ 255,505	\$ 2,912,418

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

State of New Mexico
City of Rio Communities
Reconciliation of the Governmental Funds Statement
of Revenues, Expenditures, and Changes in
Fund Balance to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances - governmental funds \$ (174,780)

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

Capital outlays are reported in the governmental funds as expenditures, however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation/amortization expense. In the current period, these amounts are:

Capital outlay	2,237,270	
Depreciation/amortization expense	<u>(847,184)</u>	
		1,390,086

Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences		(11,231)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments on long-term debt	29,263	
Principal payments on lease liabilities	38,631	
Proceeds from leases	(70,219)	
Proceeds from issuance of long-term debt	<u>(131,719)</u>	
		(134,044)

The changes in the City's pension liabilities, which are reported as expenses in the statement of activities, do not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.

(169,180)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Change in deferred inflows of resources related to delinquent property taxes.		<u>(445)</u>
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Change in net position - governmental activities \$ 900,406

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

State of New Mexico
City of Rio Communities
Statement of Revenues and Expenditures – Budget and Actual
(Budgetary Basis) – General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Gross receipt taxes	\$ 326,844	\$ 381,382	\$ 381,319	\$ (63)
Property taxes	525,178	260,476	259,332	(1,144)
Franchise taxes	200,000	220,000	209,705	(10,295)
State shared taxes	295,000	357,470	356,471	(999)
State grants	206,000	379,629	380,230	601
Licenses and permits	11,150	13,550	11,920	(1,630)
Fines and forfeitures	1,350	2,350	1,480	(870)
Charges for services	3,400	3,400	270	(3,130)
Investment income and other	1,900	67,000	65,118	(1,882)
Total revenues	1,570,822	1,685,257	1,665,845	(19,412)
Expenses				
Current				
General government	895,599	1,024,354	889,748	134,606
Public safety	371,647	347,514	301,305	46,209
Public works	237,730	304,480	282,412	22,068
Culture and recreation	28,326	20,805	8,539	12,266
Capital outlay	-	-	42,129	(42,129)
Total expenses	1,533,302	1,697,153	1,524,133	173,020
Excess (deficiency) of revenues over expenditures	37,520	(11,896)	141,712	153,608
Other Financing Sources (Uses)				
Transfers in	-	297,072	151,440	(145,632)
Transfers out	(714,066)	(1,151,006)	(1,062,769)	88,237
Total other financing sources (uses)	(714,066)	(853,934)	(911,329)	(57,395)
Net change in fund balance	(676,546)	(865,830)	\$ (769,617)	\$ 96,213
Budgeted cash carry forward	2,193,429	2,193,429		
Total	\$ 1,516,883	\$ 1,327,599		

Reconciliation to GAAP basis:

Net change in fund balance (Budgetary basis)	\$ (769,617)
To adjust applicable revenue accruals and deferrals	15,987
To adjust applicable expenditure accruals	(18,036)
Net change in fund balance (GAAP basis)	\$ (771,666)

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

State of New Mexico
City of Rio Communities
Statement of Revenues and Expenditures – Budget and Actual
(Budgetary Basis) – American Rescue Plan Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 561,097	\$ 561,097	\$ 561,097	\$ -
Total revenues	<u>561,097</u>	<u>561,097</u>	<u>561,097</u>	<u>-</u>
Expenses				
Current				
General government	311,097	311,097	94,637	216,460
Capital outlay	<u>811,097</u>	<u>811,097</u>	<u>401,723</u>	<u>409,374</u>
Total expenses	<u>1,122,194</u>	<u>1,122,194</u>	<u>496,360</u>	<u>625,834</u>
Excess (deficiency) of revenues over expenditures	<u>(561,097)</u>	<u>(561,097)</u>	<u>64,737</u>	<u>625,834</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(561,097)	(561,097)	<u>\$ 64,737</u>	<u>\$ 625,834</u>
Budgeted cash carry forward	<u>561,097</u>	<u>561,097</u>		
Total	<u>\$ -</u>	<u>\$ -</u>		

Reconciliation to GAAP basis:

Net change in fund balance (Budgetary basis)	\$ 64,737
To adjust applicable revenue accruals and deferrals	<u>(64,737)</u>
Net change in fund balance (GAAP basis)	<u>\$ -</u>

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

State of New Mexico
City of Rio Communities
Statement of Revenues and Expenditures – Budget and Actual
(Budgetary Basis) – Bill Brown Parks, Recreation, and Public Works Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions/Donations	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses				
Capital outlay	<u>326,323</u>	<u>326,323</u>	<u>50,503</u>	<u>275,820</u>
Total expenses	<u>326,323</u>	<u>326,323</u>	<u>50,503</u>	<u>275,820</u>
Excess (deficiency) of revenues over expenditures	<u>(326,323)</u>	<u>(326,323)</u>	<u>(50,503)</u>	<u>275,820</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(326,323)</u>	<u>(326,323)</u>	<u>\$ (50,503)</u>	<u>\$ 275,820</u>
Budgeted cash carry forward	<u>326,323</u>	<u>326,323</u>		
Total	<u>\$ -</u>	<u>\$ -</u>		

Reconciliation to GAAP basis:

Net change in fund balance (Budgetary basis)	<u>\$ (50,503)</u>
Net change in fund balance (GAAP basis)	<u>\$ (50,503)</u>

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

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

1) History and Organization

The City of Rio Communities (the “City”) was incorporated in 2013. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (highways and streets), culture, recreation, and general administrative services.

Financial Reporting Entity

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

In evaluating how to define the City, 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 Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61 and GASB Statement No. 80. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the City has no component units, and is not a component unit of another governmental agency.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

2) Summary of Significant Accounting Principles

Accounting Standards

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The GASB is the standard-setting body for governmental accounting and financial reporting. GASB standards and interpretations constitute GAAP for governments.

Basis of Presentation

Government-Wide Financial Statements. The government-wide financial statements include a statement of net position and a statement of activities. These statements present information about the City as a whole. These statements include the financial activities of the overall entity, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements present the governmental activities of the City. Governmental activities generally are financed through taxes and state grants.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. Indirect expenses are allocated to program/functions that they benefit.

Fund Financial Statements. The fund financial statements provide information about the City's funds. Separate statements for each fund category: governmental, proprietary and fiduciary are displayed, as applicable. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The City reports the following major governmental funds:

- ◆ *General Fund*—is the City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- ◆ *American Rescue Plan Fund*—This fund accounts for resources received from the federal American Rescue Plan Act. Authority for the creation of this fund is the City Council.
- ◆ *Bill Brown Parks, Recreation, and Public Works Fund*—This fund accounts for resources received from the estate of Bill Brown to improve the City's parks and public works infrastructure. Authority for the creation of this fund is the City Council.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

2) Summary of Significant Accounting Principles – continued

- ◆ *Capital Projects Fund*—This fund accounts for state capital outlay funds used to purchase and repair City buildings as approved through City Council resolution.
- ◆ *Debt Service Fund*—This fund accounts for funds required to pay off the City’s loans as approved through City Council resolution.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements. The statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include grants, entitlements and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which eligibility requirements have been satisfied.

Fund Financial Statements. Governmental funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in its governmental funds to be available if the revenues are collected within sixty days after year-end.

Expenditures are recorded when the related fund liability is incurred. However, principal and interest on general long-term liabilities and claims and judgments are recorded as fund liabilities and expenditures when they are due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Revenue Recognition

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, subject to the availability criterion. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

2) Summary of Significant Accounting Principles – continued

Cash and Cash Equivalents

The City’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.

Accounts Receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At June 30, 2023, all receivables are considered to be 100% collectible.

In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Valencia County and remitted monthly to the City.

Capital Assets

According to Section 12-6-10 NMSA 1978, capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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 asset lives are not capitalized.

Depreciation on all capital assets is provided using the straight-line basis over the following estimated useful lives of the assets:

Asset Classification	Years
Infrastructure	30
Buildings and improvements	40
Equipment and machinery	5-15
Software	7
Vehicles	5-10

Compensated Absences

Qualified employees are entitled to accumulate paid time off (PTO) according to a graduated leave schedule of 120 to 195 hours per year, depending upon the length of service and employees hire date.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

2) Summary of Significant Accounting Principles – continued

Vested or accumulated PTO that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the 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 PTO that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the governmental funds balance sheet and government-wide statement of net position report a separate section for deferred outflows of resources. This separate financial statement element represents a *consumption* of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until that time. In the government-wide financial statements, the City reports deferred outflows of resources in relation to its pension activity. The City has recorded \$461,346 of deferred outflows related to pensions and is reflected in the statement of net position.

In addition to liabilities, the governmental funds balance sheet and government-wide statement of net position report 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 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 deferred inflows of resources. The City reports one type of deferred inflow which arises under the modified accrual basis of accounting. Accordingly, the financial statement line item “unavailable revenue – property taxes” is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City has recorded \$26,977 related to property taxes considered “unavailable”. The City has also recorded \$12,317 of deferred inflows related to pensions.

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 New Mexico 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 benefit terms. Investments are reported at fair value.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

2) Summary of Significant Accounting Principles – continued

Net Position and Fund Balance

In the government-wide financial statements, net position is classified into the following categories:

- ◆ *Net investment in capital assets*—Consists of capital and right-of-use assets, net of accumulated depreciation and amortization and outstanding principal long-term debt balances attributable to the acquisition, construction, or improvement of those assets.
- ◆ *Restricted*—When constraints placed on an assets use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. The basic concept is that restrictions are not unilaterally established by a reporting government itself and cannot be removed without the consent of those imposing the restrictions. This category of net position is intended to identify resources that were received or earned by the City with an explicit understanding between the City and the resource providers that the funds would be used for a specific purpose.
- ◆ *Unrestricted*—Consists of net position that does not meet the definition of the two preceding categories.

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies fund balance primarily on the extent to which the City is bound to observe constraints imposed on the use of the resources reported in governmental funds. This statement provides the following classifications:

- ◆ *Nonspendable*—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- ◆ *Restricted*—Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- ◆ *Committed*—Amounts that can only be used for specific purposes to constraints imposed by formal action of the highest level of authority, the City Council. Those committed amounts cannot be used for any other purpose unless the Council 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.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

2) Summary of Significant Accounting Principles – continued

- ◆ *Assigned*—Amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The City Council has not delegated the authority to assign amounts to any individuals or Commissions within the City.
- ◆ *Unassigned*—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 City’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 City holds cash reserves equal to 1/12th of the general fund’s annual expenditures as required by the New Mexico Department of Finance and Administration (NM DFA). This restricted fund balance for the City is \$135,721 at June 30, 2023.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Leases

The City is a lessee for non-cancellable leases of equipment and recognizes a lease liability and an intangible right-of-use asset (lease asset) in the financial statements. Lease liabilities with an individual value of \$15,000 or more or immaterial component leases that aggregate to a total value of \$15,000 or more are recognized. At the commencement of a lease, the City initially measures the lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted from lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently the lease asset is amortized on a straight-line basis over its useful life.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

2) Summary of Significant Accounting Principles – continued

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- a. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City's current borrowing rate is used as the discount rate for the leases.
- b. The lease term includes the non-cancellable period of the lease; the term of the lease contract, including in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Tax Abatements

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues. For financial statement reporting purposes, this statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forego tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. These tax abatements may affect the financial position of the government and its results of operations, including its ability to raise resources in the future.

The City has evaluated the requirements of GASB Statement No. 77 and has concluded that this disclosure requirement does not apply to the City.

Budgetary Data

Annual budgets of the City are prepared prior to June 1 and must be approved by resolution of the City Council and submitted to the NM DFA for State approval. Once the budget has been formally approved, any budget adjustment requests (BAR) must also be approved by the City Council and NM DFA. A separate budget is prepared for each fund of the City. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

State law prescribes that the City's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparison statements are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget, as amended. Since the budgetary basis differs significantly from the basis of accounting used to present financial statements in conformity with GAAP, a reconciliation of the budgetary comparison statements to the GAAP basis financial statements is presented at the bottom of each budgetary comparison statement.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

2) Summary of Significant Accounting Principles – continued

New Accounting Standards

During fiscal year 2023, the City implemented the requirements of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this statement did not significantly impact the City.

GASB has issued several pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the County’s primary government upon implementation. The City will implement the new GASB pronouncements in the fiscal year no later than the required effective date. Management is still evaluating the financial impact of these pronouncements.

3) **Cash and Cash Equivalents**

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pools, money market accounts, and United States Government obligations. Deposits of funds may be made in interest or noninterest-bearing checking accounts in one or more banks or savings and loan associations. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for at least 50% of the deposit amount in excess of the deposit insurance.

At June 30, 2023, the carrying amount of the City’s cash and cash equivalents was comprised of the following:

Carrying amount of deposits	\$ 2,877,612
Cash on hand	<u>200</u>
Total cash and cash equivalents	<u><u>\$ 2,877,812</u></u>

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

3) Cash and Cash Equivalents – continued

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2023, the City’s bank deposits were exposed to custodial credit risk as follows:

	United Business Bank
Bank balance of deposits	\$ 2,967,574
Less: FDIC insurance coverage	<u>(2,654,549)</u>
Total uninsured deposits	313,025
Less: Pledged collateral at fair value	<u>(2,000,000)</u>
Total uninsured/uncollateralized deposits	<u>\$ -</u>
Collateral requirement (50%)	\$ 156,513
Pledged collateral	<u>2,000,000</u>
Over (under) collateralized	<u>\$ 1,843,487</u>

4) **Accounts Receivable**

Accounts receivable of the City are as follows as of June 30, 2023:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<i>Governmental activities</i>				
Gross receipts tax	\$ 134,921	\$ -	\$ 61,966	\$ 196,887
Property tax	33,962	-	-	33,962
Franchise tax	15,864	-	-	15,864
State appropriation	<u>-</u>	<u>509,494</u>	<u>16,319</u>	<u>525,813</u>
Total accounts receivable, net	<u>\$ 184,747</u>	<u>\$ 509,494</u>	<u>\$ 78,285</u>	<u>\$ 772,526</u>

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

5) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

<i>Governmental activities</i>	Beginning Balance	Additions	Transfers	Ending Balance
<i>Capital assets not being depreciated</i>				
Land and water rights	\$ 234,865	\$ -	\$ -	\$ 234,865
Construction in progress	-	1,027,992	-	1,027,992
Total capital assets not being depreciated	<u>234,865</u>	<u>1,027,992</u>	<u>-</u>	<u>1,262,857</u>
<i>Capital assets being depreciated/amortized</i>				
Right-of-use assets - equipment	129,977	156,234	-	286,211
Infrastructure	7,662,914	29,884	-	7,692,798
Buildings and improvements	2,865,019	174,453	-	3,039,472
Equipment and machinery	480,342	32,953	-	513,295
Software	62,936	11,745	-	74,681
Vehicles	1,497,394	804,009	-	2,301,403
Total capital assets being depreciated/amortized	<u>12,698,582</u>	<u>1,209,278</u>	<u>-</u>	<u>13,907,860</u>
<i>Less accumulated depreciation/amortized</i>				
Right-of-use assets - equipment	(67,156)	(55,497)	-	(122,653)
Infrastructure	(2,296,336)	(409,996)	-	(2,706,332)
Buildings and improvements	(639,782)	(151,512)	-	(791,294)
Equipment and machinery	(223,257)	(65,570)	-	(288,827)
Software	(8,991)	(9,550)	-	(18,541)
Vehicles	(370,343)	(155,059)	-	(525,402)
Total accumulated depreciation/amortization	<u>(3,605,865)</u>	<u>(847,184)</u>	<u>-</u>	<u>(4,453,049)</u>
Capital assets being depreciated/amortized, net	<u>9,092,717</u>	<u>362,094</u>	<u>-</u>	<u>9,454,811</u>
Total capital assets, net	<u>\$ 9,327,582</u>	<u>\$ 1,390,086</u>	<u>\$ -</u>	<u>\$ 10,717,668</u>

Depreciation and amortization expense for the year ended June 30, 2023 was charged to the following functions of the City's governmental activities:

General government	\$ 258,666
Public safety	211,456
Public works	<u>377,062</u>
	<u>\$ 847,184</u>

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

6) Long-Term Liabilities

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

<i>Governmental activities</i>	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
NMFA loans	\$ 300,000	\$ 131,719	\$ (29,263)	\$ 402,456	\$ 56,044
Compensated absences	18,212	30,665	(19,434)	29,443	29,443
Lease liabilities	67,476	70,219	(38,631)	99,064	50,855
	<u>\$ 385,688</u>	<u>\$ 232,603</u>	<u>\$ (87,328)</u>	<u>\$ 530,963</u>	<u>\$ 136,342</u>

NMFA Loans

The City entered into two loan agreements with the New Mexico Finance Authority (NMFA). The NMFA loans are as follows:

Description	Date of issue	Term	Interest rate	Original amount of issue	Balance at June 30, 2023	Pledged Revenues
NM Finance Authority- Fire Equipment (PPRF-5599)	9/10/2021	10 years	.95-1.42%	\$ 300,000	\$ 270,737	State Fire Protection Funds
NM Finance Authority- Police Vehicles (PPRF-5912)	12/9/2022	5 years	0.00%	131,719	<u>131,719</u>	State Law Enforcement Protection Funds
					<u>\$ 402,456</u>	

The annual requirements to amortize the NMFA loans as of June 30, 2023, including interest payments are as follows:

<i>Years Ending June 30,</i>	Principal	Interest	Total
2024	\$ 56,044	\$ 560	\$ 56,604
2025	56,128	477	56,605
2026	56,250	355	56,605
2027	56,399	206	56,605
2028	56,595	10	56,605
2029 - 3032	<u>121,040</u>	<u>-</u>	<u>121,040</u>
Total	<u>\$ 402,456</u>	<u>\$ 1,608</u>	<u>\$ 404,064</u>

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

6) Long-Term Liabilities – continued

Compensated Absences

Compensated absences are typically paid with general fund resources when used by employees. The City considers all compensated balances to be current.

Lease Liabilities

The City has entered into agreements to lease server hardware and equipment. These lease agreements have been recorded at the present value of the future lease payments at their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the fact and circumstances available at July 1, 2021.

Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2023:

Description	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-of-Use Lease Asset, net of amortization
Sharp server and equipment - main	12/1/2019	11/1/2024	60	5.75%	\$ 40,685	\$ 36,827
Sharp server and equipment - fire	9/1/2022	8/1/2025	36	8.50%	30,794	67,670
Sharp server and equipment - police	5/1/2023	4/1/2026	36	8.75%	27,585	59,061
					<u>\$ 99,064</u>	<u>\$ 163,558</u>

7) **Transfers**

The City had the following interfund transfers, made to supplement other funding sources, for the year ended June 30, 2023:

<i>Governmental activities</i>	Transfers In	Transfers Out
General fund	\$ 151,440	\$ (1,062,769)
Fire protection fund (nonmajor governmental fund)	52	(30,232)
Capital projects fund	1,040,779	(129,502)
Wildland protection fund (nonmajor governmental fund)	21,938	(21,938)
Debt service fund	30,232	-
Total transfers in (out)	<u>\$ 1,244,441</u>	<u>\$ (1,244,441)</u>

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

8) Defined Benefit Pension Plan – PERA

The City Council approved a resolution during fiscal year 2020 to participate in PERA as an affiliated public employer effective July 1, 2020. The City adopted to participate in the Municipal General Coverage Plan 1, the Municipal Police Plan 1, and the Municipal Fire Plan 1 within PERA. Although adopted, the City did not have any employees participating in the Municipal Police Plan 1 during the fiscal year ended June 30, 2023.

General Information About the Pension Plan

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

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

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

8) Defined Benefit Pension Plan – PERA – continued

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 0.5%, employee contributions increased 1.5% and effective July 1, 2014 employer contributions were raised 0.05%. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions: See PERA's publicly available annual comprehensive financial report obtained at <http://www.nmpera.org/financialoverview>, for the employer and employee contribution rates in effect for fiscal year 2023.

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

At June 30, 2023, the City reported a combined liability of \$669,369 for its proportionate share of the net pension liability of the two divisions in which it participates. 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 City'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 City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

8) Defined Benefit Pension Plan – PERA – continued

Municipal General Division

For the PERA Fund Municipal General Division, at June 30, 2023, the City reported a liability of \$501,605 for its proportionate share of the net position liability. At June 30, 2022, the City’s proportion was 0.0283 percent, which was an increase of 0.008 percent from its proportion measured at June 30, 2021.

For the year ending June 30, 2023, the City recognized PERA Fund Municipal General Division pension expense of \$165,977. At June 30, 2023, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,011	\$ 12,199
Changes of assumptions	-	-
Net difference between projected and actual investment earnings on pension plan investments	49,642	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	237,437	-
The City's contributions subsequent to the measurement date	<u>40,277</u>	<u>-</u>
Total	<u>\$ 329,367</u>	<u>\$ 12,199</u>

Deferred outflows of resources totaling \$40,277 represent the City’s contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

8) Defined Benefit Pension Plan – PERA – continued

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 130,439
2025	104,696
2026	2,560
2027	39,196
2028	-
Total	<u>\$ 276,891</u>

Municipal General Division

For the PERA Fund Municipal Fire Division, at June 30, 2023, the City reported a liability of \$167,764 for its proportionate share of the net position liability. At June 30, 2022, the City’s proportion was 0.0209 percent, which was an increase of 0.0209 percent from its proportion measured at June 30, 2021.

For the year ending June 30, 2023, the City recognized PERA Fund Municipal Fire Division pension expense of \$57,758. At June 30, 2023, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,043	\$ 118
Changes of assumptions	-	-
Net difference between projected and actual investment earnings on pension plan investments	7,480	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	109,178	-
The City's contributions subsequent to the measurement date	<u>14,278</u>	<u>-</u>
Total	<u>\$ 131,979</u>	<u>\$ 118</u>

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

8) Defined Benefit Pension Plan – PERA – continued

Deferred outflows of resources totaling \$14,278 represent the City’s contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 45,424
2025	44,440
2026	21,849
2027	5,870
2028	-
Total	<u>\$ 117,583</u>

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:

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Amortization method	Level Percentage of Payroll for all divisions except for the Legislative division which is Level Dollar
Amortization period	25 years
Actuarial assumptions:	
- 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 generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
- Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 to June 30, 2017 (economic)

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

8) Defined Benefit Pension Plan – PERA – continued

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 and used 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:

All Funds - Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	35.50%	6.35%
Risk reduction and mitigation	19.50%	1.90%
Credit oriented fixed income	15.00%	4.45%
Real assets	20.00%	5.10%
Multi-risk allocation	10.00%	6.65%
Total	<u>100.00%</u>	

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 periods of projected benefit payments to determine the total pension liability.

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

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

8) Defined Benefit Pension Plan – PERA – continued

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City’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%) or 1-percentage-point higher (8.25 percent) than the current rate:

The City's proportionate share of the net pension liability	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
PERA Fund Division: Municipal General	\$ 759,035	\$ 501,605	\$ 287,748
PERA Fund Division: Municipal Fire	220,977	167,764	124,068
Total	<u>\$ 980,012</u>	<u>\$ 669,369</u>	<u>\$ 411,816</u>

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

9) **Risk Management**

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The City participates in the New Mexico Self-Insurers’ Fund risk pool.

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers’ Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage has not changed significantly from prior years and coverages are expected to be continued.

At June 30, 2023, no unpaid claims have been filed which exceed the policy limits and to the best of management’s knowledge and belief all known and unknown claims will be covered by insurance. The City is not aware of any major lawsuits that have been filed.

State of New Mexico
City of Rio Communities
Notes to the Financial Statements
June 30, 2023

10) Concentrations

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

Required Supplementary Information

State of New Mexico
City of Rio Communities

Schedule of the City's Proportionate Share of the Net Pension Liability and Schedule of the City's Contributions
PERA – Municipal General Division
Last 10 Fiscal Years*

	Fiscal year Measurement date	June 30,	
		2023 2022	2022 2021
The City's proportion of the net pension liability		0.0282%	0.0203%
The City's proportionate share of the net pension liability		\$ 501,605	\$ 228,882
The City's covered payroll		\$ 494,196	\$ 352,458
The City's proportionate share of the net pension liability as a percentage of its covered-employee payroll		101.50%	64.94%
Plan fiduciary net position as a percentage of the total pension liability		69.35%	77.25%

	Fiscal year Measurement date	June 30,	
		2023 2022	2022 2021
Statutory required contribution		\$ 40,277	\$ 26,963
Contributions in relation to the statutorily required contributions		40,277	26,963
Annual contribution deficiency (excess)		\$ -	\$ -
The City's covered payroll		\$ 494,196	\$ 352,458
Contributions as a percentage of covered payroll		8.15%	7.65%

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

State of New Mexico
City of Rio Communities

Schedule of the City's Proportionate Share of the Net Pension Liability and Schedule of the City's Contributions
PERA – Municipal Fire Division
Last 10 Fiscal Years*

	Fiscal year	June 30,
	Measurement date	2023
		2022
The City's proportion of the net pension liability		0.0209%
The City's proportionate share of the net pension liability		\$ 167,764
The City's covered payroll		\$ 117,514
The City's proportionate share of the net pension liability as a percentage of its covered-employee payroll		142.76%
Plan fiduciary net position as a percentage of the total pension liability		69.35%

	Fiscal year	June 30,
	Measurement date	2023
		2022
Statutory required contribution		\$ 14,278
Contributions in relation to the statutorily required contributions		14,278
Annual contribution deficiency (excess)		\$ -
The City's covered payroll		\$ 117,514
Contributions as a percentage of covered payroll		12.15%

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

State of New Mexico
City of Rio Communities
Notes to the Required Supplementary Information
Public Employees Retirement Plan (PERA)
June 30, 2023

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

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2022 report is available at <https://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>.

Other Schedules Required by 2.2.2 NMAC

State of New Mexico

City of Rio Communities

Nonmajor Governmental Funds Descriptions

Corrections Fund. This fund accounts for the proceeds of the State of New Mexico approved assessments for the municipal court, for which expenditures are designated for the care of prisoners. Authority is NMSA 1978, Section 33-2-25.

Environmental Gross Receipts Tax (GRT) Fund. This fund accounts for the 0.25% gross receipts tax funding used for the acquisition, construction, operation and maintenance of solid waste facilities, water facilities, wastewater facilities, sewer systems and related facilities. Authority is NMSA 1978, Section 7-19D-1 to 7-19D-11.

Emergency Medical Services (EMS) Fund. This fund accounts for annual grants from the Emergency Medical Service Fund Act. Funding is made available to municipalities in proportion to their needs, for use in the establishment and enhancement of local emergency medical services that assist in reducing injury and loss of life. Authority is NMSA 1978, Section 24-10A-1 to 24-10A-9.

Fire Protection Fund: This fund accounts for state fire marshal funds used for the operation of the fire department. Authority is NMSA 1978, Section 59A-53-2.

Law Enforcement Fund. This fund accounts for state grants from the State of New Mexico which are to be utilized to enhance the efficiency and effectiveness of law enforcement protection. Authority is NMSA 1978, Section 29-13-1 to 29-13-9.

Municipal Street Fund. This fund accounts for gas tax and road cut ordinance funds used for repairing and maintaining the City's streets. Authority is NMSA 1978, Sections 7-24A-1 to 7-24A-21.

County Fire GRT Fund. This fund accounts for resources received from Valencia County for the operation of fire protection services. Authority is NMSA 1978, Section 7-20E-15.

County EMS Fund. This fund accounts for resources received from Valencia County for the operation of emergency medical services operations. Authority is NMSA 1978, Section 7-24-E-22.

Wildland Protection Fund. This fund accounts for reimbursements received for assistance with wildland fire protection. Authority is City Council resolution.

State of New Mexico
City of Rio Communities
Combining Balance Sheets
Nonmajor Governmental Funds
June 30, 2023

	201	202	206	209	211	216	296	297	298	Total
	Corrections	Environmental	EMS	Fire	Law	Municipal	County	County	Wildland	Nonmajor
	Fund	GRT	Fund	Protection	Enforcement	Street	Fire GRT	EMS	Protection	Governmental
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Funds
Assets										
Cash and cash equivalents	\$ 7,600	\$ 14,272	\$ -	\$ 15,376	\$ -	\$ 26,180	\$ 27,599	\$ 81,087	\$ 13,663	\$ 185,777
Accounts receivable	-	13	-	-	-	1,453	13,121	47,379	16,319	78,285
Total assets	<u>\$ 7,600</u>	<u>\$ 14,285</u>	<u>\$ -</u>	<u>\$ 15,376</u>	<u>\$ -</u>	<u>\$ 27,633</u>	<u>\$ 40,720</u>	<u>\$ 128,466</u>	<u>\$ 29,982</u>	<u>\$ 264,062</u>
Liabilities, and Fund Balances										
Liabilities										
Accounts payable	\$ 3	\$ -	\$ -	\$ 2,397	\$ -	\$ -	\$ -	\$ 194	\$ -	\$ 2,594
Accrued payroll liabilities	-	-	-	-	-	-	-	5,963	-	5,963
Total liabilities	<u>3</u>	<u>-</u>	<u>-</u>	<u>2,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,157</u>	<u>-</u>	<u>8,557</u>
Fund balances										
Restricted	<u>7,597</u>	<u>14,285</u>	<u>-</u>	<u>12,979</u>	<u>-</u>	<u>27,633</u>	<u>40,720</u>	<u>122,309</u>	<u>29,982</u>	<u>255,505</u>
Total fund balances	<u>7,597</u>	<u>14,285</u>	<u>-</u>	<u>12,979</u>	<u>-</u>	<u>27,633</u>	<u>40,720</u>	<u>122,309</u>	<u>29,982</u>	<u>255,505</u>
Total liabilities and fund balances	<u>\$ 7,600</u>	<u>\$ 14,285</u>	<u>\$ -</u>	<u>\$ 15,376</u>	<u>\$ -</u>	<u>\$ 27,633</u>	<u>\$ 40,720</u>	<u>\$ 128,466</u>	<u>\$ 29,982</u>	<u>\$ 264,062</u>

State of New Mexico
City of Rio Communities
Combining Statements of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	201	202	206	209	211	216	296	297	298	Total
	Corrections	Environmental	EMS	Fire	Law	Municipal	County	County	Wildland	Nonmajor
	Fund	GRT	Fund	Protection	Enforcement	Street	Fire GRT	EMS	Protection	Governmental
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Funds
Revenues										
Gross receipt taxes	\$ -	\$ 10,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,870
State shared taxes	-	-	-	-	-	9,205	-	-	-	9,205
State grants	-	-	-	317,565	45,000	-	48,911	175,933	61,749	649,158
Fines and forfeitures	486	-	-	-	-	-	-	-	-	486
Other	-	-	-	19,020	-	-	218	823	-	20,061
Total revenues	<u>486</u>	<u>10,870</u>	<u>-</u>	<u>336,585</u>	<u>45,000</u>	<u>9,205</u>	<u>49,129</u>	<u>176,756</u>	<u>61,749</u>	<u>689,780</u>
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	31,767	31,767
Public safety	-	-	2,042	298,297	45,000	-	31,789	177,982	-	555,110
Public works	-	17,631	-	-	-	3,905	-	-	-	21,536
Debt service										
Principal	-	-	-	-	-	-	-	10,419	-	10,419
Interest	-	-	-	-	-	-	-	2,591	-	2,591
Capital outlay	-	-	-	-	-	-	-	93,699	-	93,699
Total expenditures	<u>-</u>	<u>17,631</u>	<u>2,042</u>	<u>298,297</u>	<u>45,000</u>	<u>3,905</u>	<u>31,789</u>	<u>284,691</u>	<u>31,767</u>	<u>715,122</u>
Excess (deficiency) of revenues over expenditures	<u>486</u>	<u>(6,761)</u>	<u>(2,042)</u>	<u>38,288</u>	<u>-</u>	<u>5,300</u>	<u>17,340</u>	<u>(107,935)</u>	<u>29,982</u>	<u>(25,342)</u>
Other Financing Sources (Uses)										
Proceeds from leases	-	-	-	-	-	-	-	41,213	-	41,213
Transfers in	-	-	-	52	-	-	-	-	21,938	21,990
Transfers out	-	-	-	(30,232)	-	-	-	-	(21,938)	(52,170)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,213</u>	<u>-</u>	<u>11,033</u>
Net change in fund balances	486	(6,761)	(2,042)	8,108	-	5,300	17,340	(66,722)	29,982	(14,309)
Fund balances, beginning of year	7,111	21,046	2,042	4,871	-	22,333	23,380	189,031	-	269,814
Fund balances, end of year	<u>\$ 7,597</u>	<u>\$ 14,285</u>	<u>\$ -</u>	<u>\$ 12,979</u>	<u>\$ -</u>	<u>\$ 27,633</u>	<u>\$ 40,720</u>	<u>\$ 122,309</u>	<u>\$ 29,982</u>	<u>\$ 255,505</u>

State of New Mexico
City of Rio Communities
Schedule of Deposits by Financial Institution
June 30, 2023

Name/Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<i>United Business Bank</i>				
Checking account - operating (non-interest bearing)	\$ 560,301	\$ 370	\$ (90,332)	\$ 470,339
Checking account - reserve (non-interest bearing)	2,404,549	-	-	2,404,549
<i>New Mexico Finance Authority</i>				
Debt service fund	2,724	-	-	2,724
Petty cash	-	-	-	200
Total cash and cash equivalents	<u>\$ 2,967,574</u>	<u>\$ 370</u>	<u>\$ (90,332)</u>	<u>\$ 2,877,812</u>

State of New Mexico
City of Rio Communities
Schedule of Pledged Collateral by Financial Institution
June 30, 2023

Name/Collateral Description	Identification Number	Expiration Date	Current Market Value
<i>United Business Bank</i>			
Federal Home Loan Bank - Letter of Credit	2021-849	12/31/2023	\$ 2,000,000

State of New Mexico
City of Rio Communities
Schedule of Joint Power Agreements
June 30, 2023

Joint Powers Agreement	Participants	Responsible party	Description	Beginning and ending dates	Total estimated project amount and amount applicable to agency	Amount contributed by City during current fiscal year	Audit Responsibility	Fiscal agent and responsible reporting entity
Continuation of Services	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County	Animal Control Services	7/1/2016 - Ongoing	\$ 20,000	\$ 18,522	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County
VRECC	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County	Provided enhanced 911 and dispatch services	6/30/2018 - Ongoing	\$ 33,000	\$ 32,707	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County
Corrections	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County	Housing and care of prison detainees	7/22/2014 - Ongoing	\$ 50,000	\$ -	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County
Law Enforcement Protection	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County	Designation of municipal law enforcement office to City of Rio Communities	7/7/2016 - Ongoing	\$ 150,000	\$ 105,000	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County
Emergency Medical Services	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County	As necessary medical direction on behalf of medical director and medical waste disposal	7/7/2016 - Ongoing	\$ 5,000	\$ -	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County
Roadside Installation	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County	Installation of city road signs	7/7/2016 - Ongoing	\$ -	\$ -	City of Rio Communities and Valencia County	City of Rio Communities and Valencia County
Mutual Wildfire Supression	City of Rio Communities and EMNRD	City of Rio Communities and EMNRD	Mutual wildfire suppression, management assistanc, cooperation and use of federal excess property	1/1/2016 - Ongoing	\$ -	\$ -	City of Rio Communities and EMNRD	City of Rio Communities and EMNRD
Countywide EMS Tax Transference (40%) ("EMS GRT VC")	City of Rio Communities Countwide (MOA)	City of Rio Communities Countwide (MOA)	Emergency communications and medical behavioral services tax	7/1/2016 - Ongoing	\$ -	\$ -	City of Rio Communities Countwide (MOA)	City of Rio Communities Countwide (MOA)

Compliance Section



Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards*

Joseph M. Maestas P.E., New Mexico State Auditor
Joshua Ramsell, Mayor and the City Council
City of Rio Communities, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund and major special revenue funds of the State of New Mexico, City of Rio Communities (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 12, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 responses as items 2023-001 and 2023-002.

The City's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's responses were 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SJT Group LLC

Albuquerque, New Mexico
December 12, 2023

State of New Mexico
City of Rio Communities
Schedule of Findings and Responses
For the Year Ended June 30, 2023

Section I — Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No
Other findings required to be reported under Section 12-6-5, NMSA 1978?	Yes

State of New Mexico
City of Rio Communities
Schedule of Findings and Responses – continued
For the Year Ended June 30, 2023

Section II—Financial Statement Findings

None.

Section III—Other Findings Required to be Reported Under Section 12-6-5, NMSA 1978

2023-001– Travel and Per Diem (Other Non-Compliance)

Criteria: According to the Regulations Governing the Per Diem and Mileage Act (2.24.2 NMAC), public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10-8-5 (D) NMSA 1978. The City Council has approved mileage to be reimbursed at a rate different than the state mandated amount.

Condition: During our evaluation of ten travel and per diem expenditures, we found two instances where the City reimbursed employees at a rate different than the City Council approved rate for each mile traveled in a privately owned vehicle.

Cause: The City did not have effective internal controls to ensure employees were reimbursed at the correct mileage rate established by the City.

Effect: City is not in compliance with 2.24.2 NMAC. In our sample of ten travel and per diem expenditures paid in fiscal year 2023, mileage reimbursements were overpaid by \$2.12.

Auditor’s Recommendation: The City should improve internal controls to ensure that employees are reimbursed at the City Council’s established mileage rate. This includes implementing a more stringent review process prior to approving and processing employee reimbursements.

Management’s Response: The City has revised processes surrounding travel and per diem expenditures. All mileage and per diem expenditures are reviewed independently by the Finance Director prior to payment to ensure that all travel and per diem expenditures are paid accurately and in accordance with the rates established by the City’s policies.

Responsible Party: Finance Director

Anticipated Completion Date: January 2024

State of New Mexico
City of Rio Communities
Schedule of Findings and Responses – continued
For the Year Ended June 30, 2023

Section III—Other Findings Required to be Reported Under Section 12-6-5, NMSA 1978—
continued

2023-002– Volunteer Firefighter Stipends (Other Non-Compliance)

Criteria: Valencia County Board of Commissioners Resolution 2016-28 establishes the Valencia County Volunteer Firefighter Stipend Program which includes participation by the City of Rio Communities. Under this resolution the City must adopt a nominal fee policy that governs the payment of volunteer firefighter stipends.

Condition: During our evaluation of six volunteer firefighter stipends, we noted the following:

- ◆ Six instances where the City paid volunteers at a rate different than the City’s pro-rata based method.
- ◆ Two instances where the pro-rata points allocated to the volunteer for payment did not agree to the underlying point calculation sheet.
- ◆ Three instances where a volunteer firefighter was also an employee of the City and documentation could not be provided to demonstrate the volunteer was not responding to emergencies during working hours for the City.

Cause: The City did not have adequate internal controls to ensure volunteers were paid accurately and only during non-working hours with the City.

Effect: The City did not comply with the Valencia County Volunteer Firefighter Stipend Program surrounding the payment of volunteer firefighter stipends. In our sample of six stipends paid in fiscal year 2023, overpayments to volunteer firefighters totaled \$881.

Auditor’s Recommendation: The City should improve internal controls to ensure that volunteer firefighters are paid accurately and only during non-City work hours in accordance with the City’s policies and procedures. This includes implementing and refining the City’s volunteer firefighter nominal fee policy to address City employees who volunteer as firefighters and the review of stipend payments for accuracy.

Management’s Response: The City is in the process of adopting a formal nominal fee policy that will clarify the rates at which stipends will be paid and the documentation required for payment. Given the difficulty in obtaining time records from the Valencia County emergency dispatch services, the City has also changed the nominal fee policy to prohibit City employees from participating in the Volunteer Firefighter Stipend Program.

Responsible Party: Fire Chief and City Manager

Anticipated Completion Date: January 2024

State of New Mexico
City of Rio Communities
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023

None.

State of New Mexico
City of Rio Communities
Exit Conference
For the Year Ended June 30, 2023

An exit conference was held in a closed session on December 12, 2023. Present at the exit conference were:

For the City of Rio Communities:

Joshua Ramsell, Mayor
Margaret "Peggy" Gutjahr, Mayor Pro-Tem/Councilor
Martin D. Moore, City Manager
Stephanie Finch, Finance Officer/Treasurer

For the SJT Group LLC:

Jeremiah Armijo, CPA, Senior Manager

Preparation of the Financial Statements

The accompanying financial statements of the City have been prepared by the SJT Group LLC, the City's independent auditors, however, the financial statements are the responsibility of management.




CITY OF RIO COMMUNITIES

360 Rio Communities Blvd.
Rio Communities, NM 87002
505-861-6803

Memorandum

To: City Council

From: City Manager 

RE: Proposed use of Unencumbered Bill Brown Memorial Funds _Public Works

We recommend that the City Council encumber \$37,699.27 of currently unencumbered monies from the Bill Brown Memorial fund to pay for:

1. pothole repairs and a partial re-milling on Don Diego Road (estimated cost \$33,000);
2. roadside safety barriers on Horner Avenue from Hwy 47 to Kaghan, and a small portion of Suncrest Dr. off of Kaghan (estimated cost \$2,000);
3. purchase of cold mix for additional pot hole repairs around town (estimated cost \$2,000).

We expect these funds to cover this cost. I have include maps of the two (2) areas discussed above.

Don Diego Road Repairs

Legend

-  Don Diego Rd



1000 ft



MAJOR REPAIR SECTION FOR DON DIEGO_NOT INCLUDING THE POTHOLES
SCATTERED THROUGHOUT THE STREET



AREA FOR STRATEGICALLY LOCATED SAFETY BARRIERS

