

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT**

**Annual Financial Report
For the Year Ended June 30, 2009**

(With Independent Auditor's Report Thereon)

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT**

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FIRST JUDICIAL DISTRICT COURT**

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**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT**

OFFICIAL ROSTER

June 30, 2009

Judges

Honorable Barbara J. Vigil	Division 1
Honorable James A. Hall	Division 2
Honorable Raymond Z. Ortiz	Division 3
Honorable Michael E. Vigil	Division 4
Honorable Sheri A. Raphaelson	Division 5
Honorable Stephen Pfeffer - Presiding Judge	Division 6
Honorable Daniel Sanchez	Division 7

Administrative Officials

Mr. Stephen Pacheco	Court Administrator
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FINANCIAL SECTION

ROBERT J. RIVERA, CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS
6 CALLE MEDICO, SUITE 4
SANTA FE, NEW MEXICO 87505-4761

(505) 983-6002

FAX (505) 983-6474

INDEPENDENT AUDITOR'S REPORT

Honorable Stephen Pfeffer, Presiding Judge
First Judicial District Court
Santa Fe, New Mexico
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of New Mexico, First Judicial District Court (Court), as of and for the year ended June 30, 2009, which collectively comprise the State of New Mexico, First Judicial District Court's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the State of New Mexico, First Judicial District Court's non-major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the State of New Mexico, First Judicial District Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1.A to the financial statements, the financial statements of the State of New Mexico, First Judicial District Court are intended to present the financial position and changes in financial position of only that portion of the governmental activities, the major fund, and the budgetary comparison statement and aggregate remaining fund information of the State that is attributable to the transactions of the First Judicial District Court. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2009, and the changes in its financial position and budgetary comparisons, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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 of the State of New Mexico, First Judicial District Court, as of June 30, 2009, and the respective changes in financial position thereof, and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of the State of New Mexico, First Judicial District Court as of June 30, 2009, and the respective changes in financial position thereof, and the respective budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with **Government Auditing Standards**, we have also issued our report dated December 2, 2009, on our consideration of the State of New Mexico, First Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages viii through xii is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The supplementary information listed as schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Court. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
December 2, 2009

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)
June 30, 2009**

The First Judicial District Court's "Management's Discussion and Analysis" is intended to provide an overview of the Court's activities and programs resulting in planning and expenditure of the annual budget. The Court's annual budget consists of several fund sources which include: (1) State General Fund appropriations, (2) court fees, (3) fund transfers from other state agencies, and (4) a federal Office of Justice program grant in support of the Court's Treatment Court.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts: (1) Management's Discussion and Analysis, (2) the basic financial statements, (3) required supplementary information that presents schedules, and (4) other supporting reports. The basic financial statements include two types of statements that present a different view of the Court.

- The first two are government-wide financial statements that provide both long and short-term information about the Court's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Court. The governmental fund statements identify how the general government service was financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required items, we have included a section with supporting schedules. The remainder of this section explains the structure and content of each statement.

Government-Wide Statements

The enclosed government-wide statements provide information about the Court as a whole using accounting methods similar to those used by private sector entities. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide statements identify the Court's net assets and how they have changed. "Net assets" are the difference between the Court's assets and liabilities, and are one way to measure the Court's financial position or "health." Over a period of time, increases or decreases in the Court's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The Court has only one activity - Judicial Services - which is a governmental activity. The Court does not have any business-type activities or any component units.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)
June 30, 2009**

Financial Analysis of the Court

Condensed financial information for the current year is as follows:

	<u>06/30/2009</u>	<u>06/30/2008</u>	<u>Increase (Decrease) Change</u>
Assets:			
Current assets	\$ 735,989	\$ 616,270	\$ 119,719
Capital assets, net	<u>148,769</u>	<u>118,407</u>	<u>30,362</u>
Total assets	<u>884,758</u>	<u>734,677</u>	<u>150,081</u>
Liabilities:			
Current liabilities	791,498	687,443	104,055
Long-term liabilities	<u>35,058</u>	<u>43,634</u>	<u>(8,576)</u>
Total liabilities	<u>826,556</u>	<u>731,077</u>	<u>95,479</u>
Net assets:			
Invested in capital assets, net	148,769	118,407	30,362
Restricted	54,021	99,217	(45,196)
Unrestricted	<u>(144,588)</u>	<u>(214,025)</u>	<u>69,437</u>
Total net assets	<u>\$ 58,202</u>	<u>\$ 3,599</u>	<u>\$ 54,603</u>
Program revenues - court fees	\$ 318,356	\$ 277,170	\$ 41,186
Operating grants	412,542	337,786	74,756
Miscellaneous revenues	<u>-</u>	<u>1,489</u>	<u>(1,489)</u>
Total program revenue	<u>730,898</u>	<u>616,445</u>	<u>114,453</u>
General revenue and transfers:			
State appropriations, net	6,582,950	6,216,195	366,755
Other state funds	219,300	359,885	(140,585)
Reversion of prior fiscal year	-	(49,139)	49,139
Capital assets transferred in	<u>33,618</u>	<u>-</u>	<u>33,618</u>
Total general revenue	<u>6,835,868</u>	<u>6,526,941</u>	<u>308,927</u>
Program expenses	<u>7,512,163</u>	<u>7,337,449</u>	<u>174,714</u>
Total expenses	<u>7,512,163</u>	<u>7,337,449</u>	<u>174,714</u>
Change in net assets	54,603	(194,063)	248,666
Beginning net assets, as adjusted	<u>3,599</u>	<u>197,662</u>	<u>(194,063)</u>
Ending net assets	<u>\$ 58,202</u>	<u>\$ 3,599</u>	<u>\$ 54,603</u>

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)
June 30, 2009**

Overall Financial Position

During the audit year, the court received the traditional State General Fund appropriations to pay the operating expenses of the Court, and any unused balance in this account is reverted to the State General Fund after release of this audit report. Fiscal Year 2009 General Fund appropriations increased by \$366,755 (net of reversion) over approved appropriations for Fiscal Year 2008. The increase in net assets is principally because of the fact that the Court was appropriated additional funds for operations.

Fund Financial Funds

The fund financial statements provide more detailed information about the Court's significant funds rather than the Court as a whole. "Funds" are accounting devices that the Court uses to keep track of specific sources of funding and expenditures for special purposes.

1. **General Fund** - All of the agency's core judicial services are reflected in the general fund and provide information to help the user determine whether there are more or fewer financial resources that are available to finance the Court's core programs.
2. **Mediation Fund** - Funds collected as docket fees on certain type of court cases and used by the Court to operate a domestic mediation program.
3. **Alternative Dispute Resolution (ADR) Fund** - Funds collected as a surcharge on certain type of cases and used by the Court to operate an Alternative dispute Resolution program.
4. **Child Support Hearing Enforcement Fund** - Funds transferred from the NM Human Services Department and used by the Court to operate a Child Support Enforcement program.
5. **Federal Grant Fund** - Funds provided as a Federal grant award from the Office of Justice Programs, U.S. Department of Justice and are used by the Court to operate a Juvenile Drug Court.
6. **Drug Court Program Fees** - Fees collected from adult drug court participants to offset client service costs of the drug court program.

Mediation revenue collected as docket fees was used to support the Court's ongoing Mediation Program. The level of revenue for this program increased slightly in FY 09 to \$190,419 per annum. Alternative Dispute Resolution revenue is collected as a surcharge on certain case types and has increased by \$6,210 to \$58,860 per annum. Child Support Hearing Enforcement revenue is received from the NM Human Services Department and has increased by \$26,827 to \$329,906. The Court did receive and expend grant funding from the Administrative Office of the Courts in the amount of \$15,370 in support of a one year grant awarded to support the Court's Adult Drug Court. The amount of the grant was \$28,543.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)
June 30, 2009**

BUDGETARY HIGHLIGHTS

The First Judicial District Court processed budget adjustments during the fiscal year in an effort to better service the internal and external customers of the Court. The adjustments were necessary to reflect minor changes to court operations.

Capital Assets and Long-Term Debt

The Court purchased capital assets during the year totaling \$19,527. In addition \$33,618 of capital assets were transferred to the District from the Administrative Office of the Courts. Depreciation expense was \$22,783 during the current year. Therefore, net capital assets increased by \$30,362. The long-term debt for compensated absences has changed from \$43,634 to \$35,058, or an insignificant decrease of \$8,576. The Court does not own any infrastructure assets.

To the best of our knowledge, the Court will continue to operate the same in the future. We are not aware of any facts, decisions or conditions that will have a significant effect on our financial position or results of operation in the future.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the beginning of FY10, the District Court's General Fund budget was equal to the final FY09 budget, which had been reduced by \$97,000 after the 2009 Legislative Session. During the special session, the Court's General Fund budget was cut an additional 2% for a decrease of \$132,100. The Court will institute the following measures in FY10 to manage the decrease in funding:

- Downgrade several positions
- Reduce Contractual Services funding for key court projects
- Cap the number of clients that programs, including Drug Courts and Mediation can serve
- Eliminate the vocational program for Adult Drug Court
- Maintain positions in vacant status for the entire fiscal year
- Replace the phone services provided through the New Mexico Department of Information Technology (DoIT) with a new IP phone system, saving half of the monthly expense
- Renegotiate lease contracts for copy machines

The Court's main goal is to manage budgets without requiring furloughs of employees. Should General Fund budgets be further decreased in FY10 and beyond, the Court has a plan in place to reduce contractual services, mainly affecting Drug Court Programs.

AGENCY HIGHLIGHTS

The First Judicial District Court operates under the New Mexico state statutes, Section 34-6-1, 34-6-3, 34-6-7, 34-6-17 through 34-6-46 NMSA, 1978 Compilation. The district court is a state court of general jurisdiction and is authorized to hear and determine all civil and criminal cases, which are not specifically exempted from its jurisdiction.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

AGENCY HIGHLIGHTS (Cont'd)

The First Judicial District Court (Agency 23100) is comprised of three counties: Santa Fe, Rio Arriba and Los Alamos. The District Court is authorized seven (7) district judges who have all during the annual report period been based in Santa Fe (Santa Fe County). Trials, hearings and other judicial activities are also conducted on a regular basis in Los Alamos (Los Alamos County) and Tierra Amarilla (Rio Arriba County). The First Judicial District Court covers 7,870 square miles of area in north central New Mexico. Since Santa Fe is the state capitol, all case filings involving state government are filed in Santa Fe. Another driver for case file trends in our Court is the location of a maximum-security prison within Santa Fe County.

The current total caseload for the First Judicial District Court is over 10,000 new and reopened cases. The adjudication of this caseload is distributed among all seven presiding District Judges.

CONTACTS ON THE AGENCY'S FINANCIAL STATEMENTS

The First Judicial District Court financial report is designed to provide citizens, taxpayers, customers, legislators and creditors with general overview of the agency and to demonstrate the agency's accountability for the funds it receives. If there are any questions about this report or if additional information is needed, please contact:

**Mr. Stephen Pacheco, Court Administrator
First Judicial District Court
P. O. Box 2268
Santa Fe, NM 87504**

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Net Assets
June 30, 2009**

	Governmental Activities
<u>Assets</u>	
Investment in the State Treasurer General Fund Investment Pool	\$ 618,504
Petty cash	750
Due from local governments	34,707
Due from federal government	48,868
Due from other state agencies	33,160
	735,989
Total current assets	
Capital assets	308,103
Less accumulated depreciation	(159,334)
	148,769
Total capital assets, net of depreciation	
	884,758
<u>Liabilities and Net Assets</u>	
Liabilities:	
Accounts payable	212,850
Accrued payroll	141,566
Payroll taxes payable	53,481
Payroll benefits payable	92,019
Deferred revenue	30,778
Due to other state agencies	11,559
Due to State General Fund (see note 5)	27,741
Compensated absences payable:	
Due within one year	221,504
Due after one year	35,058
	826,556
Total liabilities	
Net Assets:	
Invested in capital assets	148,769
Restricted for program expenditures, subsequent years (note 17)	54,021
Unrestricted (deficit)	(144,588)
	58,202
Total net assets	\$ 58,202

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Activities
For the Year Ended June 30, 2009**

	<u>Governmental Activities</u>
Expenses:	
Judicial:	
Administrative services	\$ 7,489,380
Depreciation expense	<u>22,783</u>
Total expenses	<u>7,512,163</u>
Program revenues:	
Charges for services - court fees	318,356
Operating grants	412,542
Miscellaneous revenues	<u>-</u>
Total program revenue	<u>730,898</u>
Net program expenses	<u>(6,781,265)</u>
General revenue and transfers:	
Transfers:	
General fund appropriation, net of reversions	6,582,950
Other state funds	219,300
Capital assets transferred in from other state agencies	<u>33,618</u>
Total general revenue and transfers	<u>6,835,868</u>
Change in net assets	54,603
Net assets, beginning	<u>3,599</u>
Net assets, ending	<u>\$ 58,202</u>

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Balance Sheet
Governmental Funds
June 30, 2009**

	Major Funds		(Stmt. 4) Other Governmental Funds	Eliminations	Total Governmental Funds
	General Fund	Mediation Spec. Rev. Fund			
<u>Assets</u>					
Investment in the State Treasurer					
General Fund Investment Pool	\$ 486,705	\$ 114,201	\$ 17,598	\$ -	\$ 618,504
Petty cash	750	-	-	-	750
Due from other funds	202	-	-	(202)	-
Due from local governments	34,707	-	-	-	34,707
Due from federal government	48,868	-	-	-	48,868
Due from other state agencies	33,160	-	-	-	33,160
Total assets	\$ <u>604,392</u>	\$ <u>114,201</u>	\$ <u>17,598</u>	\$ <u>(202)</u>	\$ <u>735,989</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 205,711	\$ 7,091	\$ 48	-	\$ 212,850
Accrued payroll	138,803	1,892	871	-	141,566
Payroll taxes payable	52,226	591	664	-	53,481
Payroll benefits payable	89,567	1,434	1,018	-	92,019
Deferred revenue	30,778	-	-	-	30,778
Due to other funds	-	202	-	(202)	-
Due to other state agencies	4,795	729	6,035	-	11,559
Due to State General Fund	27,741	-	-	-	27,741
Total liabilities	549,621	11,939	8,636	(202)	569,994
Fund Balance:					
Reserved for:					
Petty cash	750	-	-	-	750
Program expenditures in subsequent year (note 17)	54,021	102,262	8,962	-	165,245
Total fund balance	54,771	102,262	8,962	-	165,995
Total liabilities and fund balance	\$ <u>604,392</u>	\$ <u>114,201</u>	\$ <u>17,598</u>	<u>(202)</u>	\$ <u>735,989</u>

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
June 30, 2009

Total fund balance for the governmental funds (Balance Sheet) Exhibit C	\$	165,995
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:

Capital assets	\$	308,103	
Accumulated depreciation		<u>(159,334)</u>	
 Total capital assets			 148,769

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of the following:

Compensated absences		<u>(256,562)</u>
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Net assets of governmental activities (statement of net assets) Exhibit A	\$	<u><u>58,202</u></u>
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The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds		(Stmt. 5)	Total Governmental Funds
	General Fund	Mediation Spec. Rev. Fund	Other Governmental Funds	
Revenues:				
Federal grants - operating	\$ 412,542	\$ -	\$ -	\$ 412,542
Charges for services - court fees	65,642	190,419	62,295	318,356
Miscellaneous revenue	-	-	-	-
Total revenues	<u>478,184</u>	<u>190,419</u>	<u>62,295</u>	<u>730,898</u>
Expenditures:				
Judicial:				
Current:				
Administrative services	7,306,103	124,419	56,287	7,486,809
Capital outlay	19,527	-	-	19,527
Total expenditures	<u>7,325,630</u>	<u>124,419</u>	<u>56,287</u>	<u>7,506,336</u>
Excess (deficiency) of revenues over expenditures	<u>(6,847,446)</u>	<u>66,000</u>	<u>6,008</u>	<u>(6,775,438)</u>
Other financing sources (uses):				
Transfers in:				
State appropriation	6,600,400	-	-	6,600,400
Other state funds	219,300	-	-	219,300
Transfers out:				
Reversions to State General Fund - FY 2009	(17,450)	-	-	(17,450)
Total other financing sources (uses)	<u>6,802,250</u>	<u>-</u>	<u>-</u>	<u>6,802,250</u>
Net change in fund balance	(45,196)	66,000	6,008	26,812
Fund balance, beginning of year	<u>99,967</u>	<u>36,262</u>	<u>2,954</u>	<u>139,183</u>
Fund balance, end of year	<u>\$ 54,771</u>	<u>\$ 102,262</u>	<u>\$ 8,962</u>	<u>\$ 165,995</u>

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2009**

Net change in fund balance - Governmental Funds (statement of revenues, expenditures and changes in fund balance) Exhibit E	\$	26,812
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$	19,527	
Capital assets transferred in from other agencies		33,618	
Depreciation expense		<u>(22,783)</u>	
Excess of depreciation over capital outlay expense			30,362

Expenses recognized in the statement of activities, not reported in governmental funds:

Increase in compensated absences		<u>(2,571)</u>
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Change in net assets of governmental activities (Statement of Activities) Exhibit B	\$	<u>54,603</u>
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The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Major Governmental Funds
General Fund - All Accounts
For the Year Ended June 30, 2009

	<u>General Fund - All Accounts (From Statement 3, pg. 3 of 3)</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State appropriations	\$ 6,697,400	\$ 6,600,400	\$ 6,600,400	\$ -
Intra-state - federal	336,800	544,213	412,542	(131,671)
Other financing sources-state funds	219,300	219,300	219,300	-
Charges for services - court fees	70,000	70,000	65,642	(4,358)
Miscellaneous revenue	-	-	-	-
 Total revenues	 7,323,500	 7,433,913	 \$ 7,297,884	 \$ (136,029)
 Cash balance appropriated	 145,000	 145,000		
 Total budgeted resources	 \$ 7,468,500	 \$ 7,578,913		
Expenditures:				
Administrative services:				
Personal services and benefits	\$ 6,138,000	\$ 6,083,100	\$ 6,079,414	\$ 3,686
Contractual services	873,169	838,529	660,909	177,620
Other costs	457,331	657,284	585,307	71,977
 Total expenditures	 \$ 7,468,500	 \$ 7,578,913	 \$ 7,325,630	 \$ 253,283
 Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 7,325,630	
Adjustments:				
None			-	
 Budget basis expenditures			 \$ 7,325,630	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Major Governmental Funds
Mediation Special Revenue Fund (Fund 91700)
For the Year Ended June 30, 2009**

Mediation Special Revenue Fund (Fund 91700)				
	Original Budget	Final Budget	Actual Budget Basis	Variance Favorable (Unfavorable)
Revenues:				
Charges for services - court fees	\$ 272,600	\$ 272,600	\$ 190,419	\$ (82,181)
Total revenues	272,600	272,600	<u>\$ 190,419</u>	<u>\$ (82,181)</u>
Cash balance appropriated	-	-		
Total budgeted resources	<u>\$ 272,600</u>	<u>\$ 272,600</u>		
Expenditures:				
Administrative services:				
Personal services and benefits	\$ 159,400	\$ 109,400	\$ 91,979	\$ 17,421
Contractual services	23,100	23,100	7,237	15,863
Other costs	90,100	140,100	25,203	114,897
Total expenditures	<u>\$ 272,600</u>	<u>\$ 272,600</u>	<u>\$ 124,419</u>	<u>\$ 148,181</u>
Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 124,219	
Adjustments: None			-	
Budget basis expenditures			<u>\$ 124,219</u>	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009**

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ <u>2,920,407</u>
Total assets	<u>2,920,407</u>
<u>Liabilities</u>	
Due to external parties	<u>2,920,407</u>
Total liabilities	<u>2,920,407</u>
Total net assets	\$ <u><u>-</u></u>

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The First Judicial District Court operates under Section 34-6-1, 34-6-2, 34-6-4 and 34-6-17 through 34-6-46, NMSA 1978 Compilation. The First Judicial District Court covers Santa Fe, Rio Arriba and Los Alamos Counties. The District Court is the State Court of general jurisdiction and is authorized to hear and determine all civil and criminal cases which are not specifically exempted from its jurisdiction. Financing of the court is by state appropriation.

The financial reporting entity as defined by GASB Statement 14 consists of the primary government, organizations for which the primary government is financially accountable and 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. This definition of the reporting entity is based primarily on the notion of financial accountability as the "cornerstone of all financial reporting in government."

The First Judicial District Court is a component unit of the Judicial Branch and these financial statements include all funds and activities over which the Court has oversight responsibility. The court is part of the primary government of the State of New Mexico and its financial data should be included with the financial data of the state. However, New Mexico does not at present issue an audited Comprehensive Annual Financial Report inclusive of all agencies of the primary government. The District Court has decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. The Court has no component units that are required to be reported in its financial statements.

The accounting policies of the First Judicial District Court conform to generally accepted accounting principles (GAAP) as applicable to governments. The financial statements of the First Judicial District Court have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. They are applied to the government-wide financial statements. A summary of the Court's significant accounting policies follows:

A. Basis of Accounting - GASB Statement No. 34

The basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as governmental activities.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation - Fund Accounting

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Court, the primary government, as a whole, without displaying individual funds or fund types. Generally, these statements distinguish between activities that are governmental and those that are considered business-type activities. The Court has no business-type activities, therefore these statements only reflect governmental activities. Government-wide financial statements exclude information about fiduciary funds and component units that are fiduciary in nature.

The government-wide statements are prepared using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains losses, assets and liabilities resulting from non exchange transactions are recognized in accordance with the requirements of GASB 33. Appropriations are recorded when received and grants revenue is recorded when all applicable eligibility or reimbursement requirements are met.

Fund Financial Statements

The governmental fund financial statements are presented on a current financial resources measurement focus and on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days in order to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

The presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Courts actual experience confirms to the budget of fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the government-wide presentation.

The Court's fiduciary fund (agency funds) is presented in the fund financial statements. The agency fund is presented on the accrual basis of accounting. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide financial statements.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation - Fund Accounting (Cont'd)

Fund Financial Statements (Cont'd)

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Court first uses restricted resources, then unrestricted resources.

The accounts of the Court are organized on a fund basis, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which spending activities are controlled. The following fund types are used by the Court.

Governmental Funds

General Fund - The General Fund is the general operating fund of the District Court. It is used to account for all financial resources except those required to be accounted for in another fund. Unless any state general fund appropriations are designated for expenditure in subsequent fiscal years, any unexpended balance remaining in the General Fund at the end of the fiscal year reverts to the General Fund of the State of New Mexico. The fund number and description of the General Fund of the Court is #14100 - Court Regular.

Hearing Officer - The Child Support Enforcement Hearing Officer Fund is a component of the General fund. It was created through a contract with the Human Services Department. Unused funds are to be refunded to the Human Services Department at program termination. The fund number is #91800.

Special Revenue Funds - Special Revenue Funds account for revenues sources that are legally restricted to expenditures for specific purposes. No expenditures can be made from special revenue funds for operations of the Court.

Court Mediation - The Court has established a domestic relations mediation program pursuant to Section 5 (40-12-5, NMSA 1978 Comp.) of the Domestic Relations Mediations Act. Deposits to this fund shall include payments made through the imposition of a sliding fee scale and the collection of a surcharge provided for in the Domestic Relations Mediation Act. The fund is non-reverting. The fund number of the Mediation Fund is #91700. This fund is a major fund.

Alternative Dispute Resolution - The Court has established an Alternative Dispute Resolution Fund pursuant to Section 34-6-45 NMSA 1978. The fund obtains its resources from the imposition of a \$15 fee on all new and reopened civil cases. The fund is non-reverting. The fund number is #87800.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation - Fund Accounting (Cont'd)

Governmental Funds

Drug Court - Accounts for Federal funds received under Title V of the Violent Control and Law Enforcement Act of 1994 and transfers from the Human Services Department as payment for the Juvenile Drug Court operation by the Court. The fund number is #01600. This fund is a non-major fund that is non-reverting.

Drug Court Fees - The Court collects a drug court fee pursuant to Section 34-6-47 NMSA 1978. Money in the fund is administered to offset client service costs of the drug court program, consistent with standards approved by the Supreme Court. The fund number is #51600. The fees do not revert to the State General Fund.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Court in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is used to collect and distribute court fees assessed per state statute.

C. Assets, Liabilities and Equity

Cash and Investments

The Court's cash and cash equivalents are in the State Treasurer's General Fund Investment Pool. The Court's Agency Funds are in demand deposits and the State Treasurer's Local Government Investment Pool.

Capital Assets

In the government-wide financial statements, property, plant and equipment is accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated assets which are recorded at their estimated fair value at the date of donation. New Mexico Laws of 2005, Chapter 237, Section 1 changed the capitalization threshold for movable chattel and equipment from items costing more than \$ 1,000 to \$5,000. Under this new law, items in the capital asset inventory that do not meet the new capitalization threshold continue to be depreciated in future periods until they are fully depreciated. Any software acquired is also included in capital assets and depreciated.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

1. Summary of Significant Accounting Policies (Cont'd)

C. Assets, Liabilities and Equity (Cont'd)

Capital Assets (Cont'd)

Furniture and Fixtures	10	years
Equipment and Machinery	5-10	years
Data Processing	3	years
Library	5	years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Liabilities

Compensated Absences

The Court's policies regarding annual leave permits employees to accumulate earned but unused annual leave. The liability for these compensated absences is recorded as current and non-current liabilities in the government-wide statements.

Equity

Government-Wide Statements

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

1. *Invested in capital assets, net of related debt*, consists of capital assets net of accumulated depreciation and reduced by any outstanding debt. The Court has no outstanding debt relating to capital assets.
2. *Restricted net assets*, consists of net assets with constraints placed on their use by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. (See note 17)
3. *Unrestricted net assets* are all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt". The unrestricted deficit of \$214,025 is due primarily to accrued compensated absences that have not been funded.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

1. Summary of Significant Accounting Policies (Cont'd)

D. Budgets and Budgetary Accounting

The First Judicial District Court follows these procedures in establishing the budget data reflected in the financial statements:

1. No later than September 1, the First Judicial District Court submits to the Judicial Budget Office (JBO), the Legislative Finance Committee (LFC) and the Department of Finance and Administration an appropriation request for the fiscal year commencing the following July. The appropriation includes proposed expenditures and the means of financing them.
2. Appropriation request hearings are scheduled by the JBO. Recommendations are made by the JBO to the Supreme Court for their approval. The Supreme Court approved appropriation request is then submitted to the Legislature as the Supreme Court's recommended appropriation request for the First District.
3. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcome of these hearings is incorporated into the General Appropriations Act.
4. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit.
5. The First Judicial District Court submits, no later than May 1, to DFA an annual operating budget by category and line item based upon the appropriations made by the Legislature. The DFA - Budget Division reviews and approves the operating budget which becomes effective in July. All subsequent budget adjustments must be approved by the JBO and the director of the DFA - Budget Division. The current year budget was revised in a legal manner.
6. Legal budget control for expenditures is by appropriation unit and formal budgetary integration is employed as a management control device during the fiscal year for the Governmental Funds.
7. The budget for the General Fund and special revenue funds are adopted on a modified accrual basis of accounting. The modified accrual basis of accounting for governmental funds is the budgetary basis of accounting for the State of NM. Per the General Appropriations Act, Chapter 3, Laws 2008, Section 3, Paragraph O, the budgetary basis is modified accrual. However, there is statutory exception. The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable require approval to pay prior year bills out of the FY 2009 budget. At June 30, 2009, there were none.
8. Appropriations lapse at the end of the fiscal year unless specifically reappropriated by the legislature.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

1. Summary of Significant Accounting Policies (Cont'd)

E. Compensated Absences Payable

Vacation and sick leave earned and not taken is cumulative; however, upon termination of employment, sick pay for such leave hours accumulated up to 600 hours is forfeited, and vacation pay is limited to payment of 240 hours. Vacation leave up to the maximum of 240 hours is payable upon separation from service at the employee's current hourly rate. Sick leave is payable semiannually to qualified employees for hours accumulated above 600 hours at a rate equal to 50 percent of their hourly rate, not to exceed 120 hours each semi-annual period. Upon retirement, payment for sick leave is limited to 400 hours accumulated above 600 hours at a rate equal to 50 percent of their hourly rate, not to exceed 120 hours each semi-annual period. Upon retirement, payment for sick leave is limited to 400 hours accumulated in excess of 600 hours at the 50 percent hourly rate. Accrued vacation and sick leave pay are recorded as a liability and as an increase or decrease in expenses in the Government-Wide financial statements.

Qualified employees accumulate annual leave as follows:

<u>Years of Service</u>	<u>Hours Earned Per Pay Period</u>
1 pay period - 3 years	4.62
Over 3 - 7 years	5.54
Over 7 - 14 years	6.46
Over 14 years - beyond	7.39

The maximum accrued annual leave may be carried forward into the beginning of the next calendar year and any excess is lost.

In addition, the First District Court allows FLSA non-exempt employees to accumulate compensatory leave in certain approved circumstances. Compensatory leave may be carried forward into the next calendar year and any unused portion is paid at termination to non-exempt employees under the Federal Labor Standards Act.

Court General Fund resources have been used to liquidate accrued compensated absences in the past.

F. Use of Estimate

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

G. Inter-fund Activity

Inter-fund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. At June 30, 2009, the Mediation Special Revenue Fund owed the General Fund \$202 resulting from a deposit error.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

1. Summary of Significant Accounting Policies (Cont'd)

H. Program Revenues

Program revenues include federal and state grants, charges for tapes and copies of court proceedings and court fees collected per statute designated for court operations.

2. Collateral Pledged by Financial Institutions

Section 6-10-17, NMSA 1978 compilation requires that banks or savings and loans provide additional collateral on funds held that exceed the FDIC insurance limit. These excess funds are required to be fifty percent collateralized. The collateralization of the Court's bank accounts is monitored by the State Treasurer's Office. The State Treasurer issues separate financial statements which disclose the collateral pledged to secure these deposits.

3. Cash in Banks and Investment in the State Treasurer General Fund Investment Pool

Cash and cash equivalents at year end are classified as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
Governmental Funds:		
Investment in the State Treasurer General Fund Investment Pool	\$ 618,504	\$ 618,504
Agency Funds:		
Bank of America - State Treasurer	-	-
Investment in the State Treasurer Local Government Investment Pool	1,512,827	1,512,827
Cash in Bank:		
Wells Fargo Bank	1,398,055	1,368,488
Community Bank	34,917	34,317
Community Bank	4,641	4,775
Total cash in bank	3,568,944	\$ 3,538,911
Less FDIC or NCUSIF coverage	(500,000)	
Total uninsured public funds	3,068,944	
50% collateral requirements (Sec. 6-10-17, NMSA 1978)	(1,534,472)	
Pledged Security	*	

The State Treasurer has the authority to invest money held in demand deposits and not immediately needed for the operation of state government in securities in accordance with Section 6-10-10 I through O, NMSA 1978, as amended.

*Detail of pledged collateral for the \$3,068,944 is not available because the banks commingle pledged collateral for all state funds they hold. These banks provide proof of collateral sufficient to cover all state funds deposited to the State Treasurer. (See Schedule 3.)

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

3. Cash in Banks and Investment in the State Treasurer General Fund Investment Pool (Cont'd)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure the Court's deposits may not be returned. The Court's policy with regard to custodial credit risk is to adhere to the statutes of the State of New Mexico, Sections 6-10-15 through 6-10-21. As of June 30, 2009, \$3,068,944 of the Court's agency fund bank balances totaling \$3,568,944 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank not in the name of the Court or the State of New Mexico	\$3,068,944
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New MexiGROW LGIP

The District Court invests a portion of litigant funds as imposed by the Court in District Courts Agency Funds. These funds are invested in the State Treasurer's New MexiGROW Local Government Investment Pool (LGIP), a government investment pool which is rated AAAM by Standards and Pools.

The following disclosure is provided for the Courts investment in the New MexiGROW LGIP:

<u>June 30, 2009</u>	<u>Rating</u>	<u>Account Balance</u>	<u>Credit Risk</u>	<u>Weighted Avg. Maturity (WAM)</u>
New MexiGROW LGIP	AAAm	\$1,512,827	AAAm	43 days

4. Capital Assets - Governmental Activities

<u>Cost</u>	<u>Balance 06/30/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/2009</u>
Furniture and fixtures	\$ 92,062	\$ -	\$ -	\$ 92,062
Equipment and machinery	88,128	10,018	-	98,146
Data processing	44,794	8,023	-	52,817
Vehicles	-	35,104	-	35,104
Library	29,974	-	-	29,974
Total capital assets	254,958	53,145	-	308,103
Accumulated Depreciation				
Furniture and fixtures	(48,012)	(7,029)	-	(55,041)
Equipment and machinery	(21,988)	(10,988)	-	(32,976)
Data processing	(36,577)	(2,426)	-	(39,003)
Vehicles	-	(2,340)	-	(2,340)
Library	(29,974)	-	-	(29,974)
Total accumulated depreciation	(136,551)	(22,783)	-	(159,334)
Net capital assets	\$ 118,407	\$ 30,362	\$ -	\$ 148,769

Current year depreciation expense of \$22,783 was charged to the judicial expenditure function in the Statement of Activities.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

5. Due to State General Fund

The Due to State General Fund of \$27,741 in the Statement of Net Assets consists of FY2009 and FY2008 reversions that will be remitted to the state general fund during fiscal year ending June 30, 2010.

Due to State General Fund - Court Regular - General Fund 14100

Cash Balance, June 30, 2009		\$ 440,722
Add:		
Due from other funds (Mediation Fund 91700)	\$ 202	
Due from other state agencies, payroll tax and payroll benefit liability errors	17,471	
Due from other state agencies, Drug Court Grant (AOC)	15,369	
Due from local governments, City of Santa Fe Grant	34,707	
Due from federal government, Bureau of Justice Grant	48,868	116,617
Amount available (all state cash)		557,339
Less:		
Accounts payable, 6/30/2009		(205,074)
Accrued payroll, 6/30/2009		(131,573)
Payroll taxes payable, 6/30/2009		(49,407)
Payroll benefits payable, 6/30/2009		(84,728)
Due to other state agencies		(4,795)
Reserve for furniture and equipment - Rio Arriba FY2006 appropriation, Laws 2006, ch. 111		(50,000)
Reserve for electronic document management system FY2007 appropriation, Laws 2007, ch. 2, sec 8		(321)
Reserve for electronic document management system FY2008 appropriation, Laws 2008, ch. 92, sec 41		(3,700)
Due To State General Fund, June 30, 2009		\$ 27,741
FY 2009	\$ 17,450	
FY 2008	10,291	
	\$ 27,741	

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

6. Due To/Due From Other State Agencies

	<u>Purpose</u>	<u>Due From</u>	<u>Due To</u>
<u>Fund 14100 - Court Regular - General Fund</u> Administrative Office of the Courts	Drug Court Grant	\$ 15,369	\$ -
<u>Fund 14100 - Court Regular - General Fund</u> NM Compilation Commission	Court Fees Distribution	-	360
Civil Legal Services	Court Fees Distribution	-	750
District Judges Retirement	Court Fees Distribution	-	1,140
Jury and Witness	Court Fees Distribution	-	1,800
Court Automation	Court Fees Distribution	-	300
State General Fund	Court Fees Distribution	-	445
<u>Fund 14100 - Court Regular - General Fund</u> Department of Finance and Administration	Payroll tax and payroll benefit liability errors-SHARE	17,471	-
<u>Fund 91800 - Hearing Officer - General Fund</u> Department of Finance and Administration	Payroll tax and payroll benefit liability errors-SHARE	320	-
<u>Fund 91700 - Mediation Fund</u> Department of Finance and Administration	Payroll tax and payroll benefit liability errors-SHARE	-	729
<u>Fund 87800 - Dispute Resoulution Fund</u> Department of Finance and Administration	Payroll tax and payroll benefit liability errors-SHARE	-	6,035
		<u>\$ 33,160</u>	<u>\$ 11,559</u>

7. Due from Local Governments

The amount of \$34,707, due from Local Governments at June 30, 2009, in the Court Regular Account - Fund 14100 represents an amount due form the City of Santa Fe for a grant executed on September 4, 2007 for services relating to Mental Health court clients. The amount has been due since the previous fiscal year.

8. Due from Federal Government

The amount of \$48,868 is due from the federal government at June 30, 2009 in the Court Regular Account Fund 14100, for a grant from the Department of Justice, Office of Justice Programs, Bureau of Justice Assistance. The purpose of the grant is to support the District's Treatment Court. The grant award was for \$178,870 for the period from October 1, 2008 to September 30, 2009. Cumulative expenditures through June 30, 2009 were \$67,266.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

9. Compensated Absences

The following is a summary of changes in compensated absences:

	<u>Balance</u> <u>06/30/2008</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>06/30/2009</u>
Amount Due Within One Year				
Compensated Absences Payable	\$ 210,357	\$ 289,274	\$ (278,127)	\$ 221,504
Long-Term				
Compensated Absences Payable	43,634	38,352	(46,928)	35,058
Total				
Compensated Absences Payable	\$ <u>253,991</u>	\$ <u>327,626</u>	\$ <u>(325,055)</u>	\$ <u>256,562</u>

The General Fund is used to liquidate compensated absences.

10. Operating Leases

The First Judicial District Court has various leases for photocopy and other machines which can be terminated, with no penalty to the Court, if the NM State Legislature does not appropriate funds to the Court. Therefore, no long-term lease commitments exist which require disclosure. Total lease and rent of equipment payments for 2009 were \$72,430.

11. PERA Retirement Plan

Substantially all of the First Judicial District Court's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Funding Policy - Plan members are required to contribute 7.42 percent of their gross salary. The First Judicial District Court is required to contribute 16.59 percent of the gross covered salary. The contribution requirements of plan members and the First Judicial District Court are established under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Court's employer contributions to PERA for the years ending June 30, 2009, 2008, and 2007 were \$632,278, \$613,690, and \$541,671, respectively, equal to the amount of the required contributions for each year.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

12. JRA Retirement Plan

Substantially all of the First Judicial District Court's Judges or Justices participate in a public employee retirement system authorized under the Judicial Retirement Act. The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Funding Policy - Plan members are required to contribute 6.5 percent of their gross salary. The First Judicial District Court is required to contribute 10.5 percent of the gross covered salary. The First Judicial District Court's contributions to JRA for the years ending June 30, 2009, 2008, and 2007 were \$90,580, \$91,975, and \$86,739, respectively, equal to the amount of the required contributions for each year.

In addition to the above, the Court remits \$38 of each filing fee collected by the Court into the Judicial Retirement Act plan as required by Section 10-12b-11, NMSA 1978. These fees are remitted directly to PERA and are not included within the accompanying financial statements. The Court remitted \$208,519 in filing fees for the year ending June 30, 2009.

13. Deferred Compensation

The State of New Mexico offers state, local government and school district employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all state employees and those local government and school district employees whose employers have elected participation in the plan permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

There are employees that are making contributions to a Deferred Compensation Plan. Neither the First Judicial District Court nor the State of New Mexico make any contributions to the Deferred Compensation Plan. All contributions withheld from participants by the First Judicial District Court have been paid to the New Mexico Public Employee's Retirement Association, which administers the plan.

14. Post Employment Benefits - State Retiree Health Care Plan

Plan Description. The Court contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978).

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

14. Post Employment Benefits - State Retiree Health Care Plan (Cont'd)

The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998, are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The Court's contributions (employer and employee) to the RHCA for the years ended June 30, 2009, 2008, and 2007, were \$85,739, \$83,766, and \$76,272, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Notes to the Financial Statements
June 30, 2009**

15. Risk of Loss

The Court obtains coverage through the Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the Court are covered by a blanket fidelity bond with a \$5,000,000 coverage limit with a \$1,000 deductive per occurrence by the State of New Mexico for the period July 1, 2008 through June 30, 2009.

16. Deficit Net Assets

GASB #34 requires capitalized assets, net of accumulated depreciation, and the inclusion of long-term debt resulting in an unrestricted net asset deficit of (\$144,588). This deficit is created by compensated absence liabilities which will be paid from subsequent years State General Fund Appropriations.

17. Special and Other Specific Appropriations

<u>Fund/ Fund No.</u>	<u>Appropriation Laws</u>	<u>Amount</u>	<u>Appropri- ation Period</u>	<u>Expenditures to Date</u>	<u>Unexpended Balance</u>
Court Regular 14100	Laws 2006, Ch. 111, Rio Arriba furniture and equipment (Statement 11 - Dept. A060746)	\$50,000	7/1/06 to 6/30/10	-	\$50,000
Court Regular 14100	Laws 2007, Ch. 2, Sec. 9 Electronic Document Mgmt. Sys. (Statement 8 - Dept. A073041)	20,000	7/1/07 to 6/30/11	\$19,679	321
Court Regular 14100	Laws 2007, Ch. 42, Sec. 46 (Statement 10 - Dept. A073911)	50,000	7/1/07 to 6/30/11	50,000	-
Court Regular 14100	Laws 2008, Ch. 92, Sec. 41 Electronic Document Mgmt. Sys. (Statement 9 - Dept. A083409)	25,000	7/1/07 to 6/30/10	21,300	3,700
		<u>\$145,000</u>		<u>\$90,979</u>	<u>\$54,021</u>

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Balance Sheet
General Fund - All Accounts
June 30, 2009**

	General Fund		
	Fund 14100 Court Regular Account	Fund 91800 Hearing Officer Account	Total General Fund
<u>Assets</u>			
Investment in the State Treasurer General Fund			
Investment Pool	\$ 440,722	\$ 45,983	\$ 486,705
Petty cash	750	-	750
Due from other funds	202	-	202
Due from local governments	34,707	-	34,707
Due from federal government	48,868	-	48,868
Due from other state agencies	32,840	320	33,160
	<hr/>	<hr/>	<hr/>
Total assets	\$ 558,089	\$ 46,303	\$ 604,392
	<hr/>	<hr/>	<hr/>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ 205,074	\$ 637	\$ 205,711
Accrued payroll	131,573	7,230	138,803
Payroll taxes payable	49,407	2,819	52,226
Payroll benefits payable	84,728	4,839	89,567
Deferred revenue	-	30,778	30,778
Due to other state agencies	4,795	-	4,795
Due to State General Fund	27,741	-	27,741
	<hr/>	<hr/>	<hr/>
Total liabilities	503,318	46,303	549,621
	<hr/>	<hr/>	<hr/>
Fund Balance:			
Reserved for:			
Petty cash	750	-	750
Program expenditures in subsequent year (note 17)	54,021	-	54,021
	<hr/>	<hr/>	<hr/>
Total fund balance	54,771	-	54,771
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	\$ 558,089	\$ 46,303	\$ 604,392
	<hr/>	<hr/>	<hr/>

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
General Fund - All Accounts
Year Ended June 30, 2009

	General Fund		Total General Fund
	Fund 14100 Court Regular	Fund 91800 Hearing Officer	
Revenues:			
Federal grants - operating	\$ 82,636	\$ 329,906	\$ 412,542
Charges for services - court fees	65,642	-	65,642
Total revenues	<u>148,278</u>	<u>329,906</u>	<u>478,184</u>
Expenditures:			
Current:			
Administrative Services	6,976,197	329,906	7,306,103
Capital outlay	19,527	-	19,527
Total expenditures	<u>6,995,724</u>	<u>329,906</u>	<u>7,325,630</u>
Excess (deficiency) of revenues over expenditures	<u>(6,847,446)</u>	<u>-</u>	<u>(6,847,446)</u>
Other financing sources:			
Transfer in:			
State general fund appropriation	6,600,400	-	6,600,400
Other state funds	219,300	-	219,300
Transfers out:			
Reversions to State General Fund FY 2009	<u>(17,450)</u>	<u>-</u>	<u>(17,450)</u>
Total other financing sources (uses)	<u>6,802,250</u>	<u>-</u>	<u>6,802,250</u>
Net change in fund balances	(45,196)	-	(45,196)
Fund balance, beginning of year, as reported	<u>99,967</u>	<u>-</u>	<u>99,967</u>
Fund balance, end of year	<u>\$ 54,771</u>	<u>\$ -</u>	<u>\$ 54,771</u>

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
General Fund - Court Regular Account - Fund 14100
For the Year Ended June 30, 2009**

(From Statements 7, 8, 9, 10 & 11)

General Fund - Court Regular Account - Fund 14100				
	Original Budget	Final Budget	Actual Budget Basis	Variance Favorable (Unfavorable)
Revenues:				
State appropriations	\$ 6,697,400	\$ 6,600,400	\$ 6,600,400	\$ -
Intra-state - Federal grants	-	207,413	82,636	(124,777)
Other financing sources - state funds	219,300	219,300	219,300	-
Charges for services - court fees	70,000	70,000	65,642	(4,358)
Miscellaneous revenue	-	-	-	-
	6,986,700	7,097,113	\$ 6,967,978	\$ (129,135)
Cash balance appropriated	145,000	145,000		
Total budgeted resources	\$ 7,131,700	\$ 7,242,113		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 5,854,700	\$ 5,765,800	\$ 5,765,669	\$ 131
Contractual services	873,169	838,529	660,909	177,620
Other costs	403,831	637,784	569,146	68,638
Total expenditures	\$ 7,131,700	\$ 7,242,113	\$ 6,995,724	\$ 246,389
Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 6,995,724	
Adjustments:				
None			-	
Budget basis expenditures			\$ 6,995,724	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
General Fund - Hearing Officer Account (Fund 91800)
For the Year Ended June 30, 2009

	<u>General Fund - Hearing Officer Account - Fund 91800</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Favorable</u>
			<u>Basis</u>	<u>(Unfavorable)</u>
Revenues:				
Intra-state - Federal	\$ 336,800	\$ 336,800	\$ 329,906	\$ (6,894)
Miscellaneous revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 336,800</u>	<u>\$ 336,800</u>	<u>\$ 329,906</u>	<u>\$ (6,894)</u>
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 283,300	\$ 317,300	\$ 313,745	\$ 3,555
Contractual services	-	-	-	-
Other costs	53,500	19,500	16,161	3,339
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 336,800</u>	<u>\$ 336,800</u>	<u>\$ 329,906</u>	<u>\$ 6,894</u>
 Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 329,906	
Adjustments: None			-	
			<u> </u>	
Budget basis expenditures			<u>\$ 329,906</u>	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Total General Fund - Court Regular Account (Fund 14100) and Hearing Officer Account (Fund 91800)
For the Year Ended June 30, 2009**

(To Exhibit G)

	Total General Fund			
	Court Regular - Fund 14100 and		Hearing Officer - Fund 91800	
	Original Budget	Final Budget	Actual Budget Basis	Variance Favorable (Unfavorable)
Revenues:				
State appropriations	\$ 6,697,400	\$ 6,600,400	\$ 6,600,400	\$ -
Intra-state - Federal grants	336,800	544,213	412,542	(131,671)
Other financing sources - state funds	219,300	219,300	219,300	-
Charges for services - court fees	70,000	70,000	65,642	(4,358)
Miscellaneous revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	7,323,500	\$ 7,433,913	\$ <u>7,297,884</u>	\$ <u>(136,029)</u>
Cash balance appropriated:	<hr/>	<hr/>		
	145,000	145,000		
	<hr/>	<hr/>		
	\$ <u>7,468,500</u>	\$ <u>7,578,913</u>		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 6,138,000	\$ 6,083,100	\$ 6,079,414	\$ 3,686
Contractual services	873,169	838,529	660,909	177,620
Other costs	457,331	657,284	585,307	71,977
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	\$ <u>7,468,500</u>	\$ <u>7,578,913</u>	\$ <u>7,325,630</u>	\$ <u>253,283</u>
Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 7,325,630	
Adjustments: None			<hr/>	
Budget basis expenditures			\$ <u>7,325,630</u>	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Balance Sheet
Other Governmental Funds
June 30, 2009**

	<u>Special Revenue Funds</u>		(Exhibit C)
	<u>Fund 87800 Alternative Dispute Resolution</u>	<u>Fund 51600 Drug Court Fees</u>	<u>Total Other Governmental Funds</u>
<u>Assets</u>			
Investment in the State Treasurer General Fund Investment Pool	\$ 14,498	\$ 3,100	\$ 17,598
Total assets	<u>\$ 14,498</u>	<u>\$ 3,100</u>	<u>\$ 17,598</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ 48	\$ -	\$ 48
Accrued payroll	871	-	871
Payroll taxes payable	664	-	664
Payroll benefits payable	1,018	-	1,018
Due to other state agencies	6,035	-	6,035
Total liabilities	<u>8,636</u>	<u>-</u>	<u>8,636</u>
Fund balance:			
Reserved for:			
Program expenditures	5,862	3,100	8,962
Total fund balance	<u>5,862</u>	<u>3,100</u>	<u>8,962</u>
Total liabilities and fund balance	<u>\$ 14,498</u>	<u>\$ 3,100</u>	<u>\$ 17,598</u>

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2009

	<u>Special Revenue Funds</u>		(Exhibit E)
	<u>Fund 87800</u>	<u>Fund 51600</u>	<u>Total</u>
	<u>Alternative</u>	<u>Drug</u>	<u>Other</u>
	<u>Dispute</u>	<u>Court Fees</u>	<u>Governmental</u>
	<u>Resolution</u>	<u> </u>	<u>Funds</u>
Revenues:			
Charges for services - court fees	\$ 58,860	\$ 3,435	\$ 62,295
Expenditures:			
Current:			
Administrative Services	51,495	4,792	56,287
Excess (deficiency) of revenues over expenditures	7,365	(1,357)	6,008
Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,365	(1,357)	6,008
Fund balance, beginning of year	<u>(1,503)</u>	<u>4,457</u>	<u>2,954</u>
Fund balance, end of year	<u>\$ 5,862</u>	<u>\$ 3,100</u>	<u>\$ 8,962</u>

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Other Governmental Funds
For the Year Ended June 30, 2009

	<u>Alternative Dispute Resolution Special Revenue - Fund 87800</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budget Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Charges for services - court fees	\$ 135,300	\$ 135,300	\$ 58,860	\$ (76,440)
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 105,900	\$ 111,300	\$ 50,420	\$ 60,880
Contractual services	11,000	5,600	-	5,600
Other costs	18,400	18,400	1,075	17,325
Total expenditures	\$ 135,300	\$ 135,300	\$ 51,495	\$ 83,805
Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 51,495	
Adjustments: None			-	
Budget basis expenditures			\$ 51,495	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
Other Governmental Funds
For the Year Ended June 30, 2009**

	Drug Court Fees Special Revenue - Fund 51600			
	Original Budget	Final Budget	Actual Budget Basis	Variance Favorable (Unfavorable)
Revenues:				
Charges for services - court fees	\$ 5,000	\$ 5,000	\$ 3,435	\$ (1,565)
Expenditures:				
Administrative services:				
Personal services & benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	5,000	5,000	4,792	208
Total expenditures	\$ 5,000	\$ 5,000	\$ 4,792	\$ 208
Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 4,792	
Adjustments: None			-	
Budget basis expenditures			\$ 4,792	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Combining Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
General Fund - Court Regular Account - Fund 14100 (Dept. P231)
For the Year Ended June 30, 2009

(To statement 3, pg. 1 of 3)

	<u>General Fund - Court Regular Account - Fund 14100 (Dept. P231)</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Favorable</u>
			<u>Basis</u>	<u>(Unfavorable)</u>
Revenues:				
State appropriations	\$ 6,697,400	\$ 6,600,400	\$ 6,600,400	\$ -
Intra-state - Federal grants	-	207,413	82,636	(124,777)
Other financing sources - state funds	219,300	219,300	219,300	-
Charges for services - court fees	70,000	70,000	65,642	(4,358)
Miscellaneous revenue	-	-	-	-
	<u>6,986,700</u>	<u>7,097,113</u>	<u>\$ 6,967,978</u>	<u>\$ (129,135)</u>
Total revenues				
Cash balance appropriated	-	-		
Total budgeted resources	<u>\$ 6,986,700</u>	<u>\$ 7,097,113</u>		
Expenditures:				
Administrative services:				
Personal services & benefits	\$ 5,854,700	\$ 5,765,800	\$ 5,765,669	\$ 131
Contractual services	878,100	793,460	660,909	132,551
Other costs	253,900	537,853	523,950	13,903
	<u>6,986,700</u>	<u>7,097,113</u>	<u>6,950,528</u>	<u>146,585</u>
Total expenditures				
Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 6,950,528	
Adjustments:				
None			-	
Budget basis expenditures			<u>\$ 6,950,528</u>	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Multi Year Budget and Actual (Budgetary Basis)
General Fund - Court Regular Account - Fund 14100 (Dept. A073041)
Laws 2007, Ch. 2, Sec. 8, Electronic Document Maintenance System (Lapses 6/30/2011)
For the Year Ended June 30, 2009

	General Fund - Court Regular Account - Fund 14100 Electronic Document Maintenance System				
	Original Budget	Final Budget	Actual Prior Years	Actual Current Year	Variance Favorable (Unfavorable)
Revenues:					
State appropriations	\$ 20,000	\$ -	\$ -	\$ -	\$ -
Total revenues	20,000	-	\$ -	\$ -	\$ -
Cash balance appropriated	-	20,000			
Total budgeted resources	\$ 20,000	\$ 20,000			
Expenditures:					
Administrative services:					
Personal services & benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-	-
Other costs	20,000	20,000	714	18,965	321
Total expenditures	\$ 20,000	\$ 20,000	\$ 714	\$ 18,965	\$ 321
Reconciliation of GAAP basis to budgetary basis expenditures:					
GAAP basis expenditures				\$ 18,965	
Adjustments:				-	
Budget basis expenditures				\$ 18,965	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Multi-Year Budget and Actual (Budgetary Basis)
General Fund - Court Regular Account - Fund 14100 (Dept. A083409)
Laws 2008, Ch. 92, Sec. 41, Electronic Document Maintenance System (Lapses 6/30/2010)
For the Year Ended June 30, 2009

(To Statement 3, pg. 1 of 3)

General Fund - Court Regular Account - Fund 14100					
Electronic Document Maintenance System					
	Original Budget	Final Budget	Actual Prior Years	Actual Current Year	Variance Favorable (Unfavorable)
Revenues:					
State appropriations	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Total revenues	25,000	-	\$ -	\$ -	\$ -
Cash balance appropriated	-	25,000			
Total budgeted resources	\$ 25,000	\$ 25,000			
Expenditures:					
Administrative services:					
Personal services & benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-	-
Other costs	25,000	25,000	-	21,300	3,700
Total expenditures	\$ 25,000	\$ 25,000	\$ -	\$ 21,300	\$ 3,700
Reconciliation of GAAP basis to budgetary basis expenditures:					
GAAP basis expenditures				\$ 21,300	
Adjustments: None				-	
Budget basis expenditures				\$ 21,300	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2010 budget.

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Multi-Year Budget and Actual (Budgetary Basis)
General Fund Court Regular Account - Fund 14100 (Dept. A073911)
Laws 2007, Ch. 42, Sec. 46, Electronic Document Maintenance System (Lapses 6/30/2011)
For the Year Ended June 30, 2009

(To Statement 3, pg. 1 of 3)

		General Fund - Court Regular Account - Fund 14100				
		Electronic Document Maintenance System				
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>	<u>Variance</u>
		<u>Budget</u>	<u>Budget</u>	<u>Prior</u>	<u>Current</u>	<u>Favorable</u>
				<u>Years</u>	<u>Year</u>	<u>(Unfavorable)</u>
Revenues:						
State appropriations	\$	50,000	-	-	-	-
Total revenues		50,000	-	-	-	-
Cash balance appropriated		-	50,000			
Total budgeted resources	\$	<u>50,000</u>	<u>50,000</u>			
Expenditures:						
Administrative services:						
Personal services & benefits	\$	-	-	-	-	-
Contractual services		(4,931)	45,069	45,069	-	-
Other costs		<u>54,931</u>	<u>4,931</u>	<u>-</u>	<u>4,931</u>	<u>-</u>
Total expenditures	\$	<u>50,000</u>	<u>50,000</u>	<u>45,069</u>	<u>4,931</u>	<u>-</u>
Reconciliation of GAAP basis to budgetary basis expenditures:						
GAAP basis expenditures					\$ 4,931	
Adjustments: None					<u>-</u>	
Budget basis expenditures					<u>\$ 4,931</u>	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2009 budget.

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

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Statement of Revenues and Expenditures
Multi-Year Budget and Actual (Budgetary Basis)
General Fund - Court Regular Account - Fund 14100 (Dept. A060746)
Laws 2006, Ch. 111, Rio Arriba Furniture and Equipment (Lapses 6/30/2010)
For the Year Ended June 30, 2009

(To Statement 3, pg. 1 of 3)

General Fund - Court Regular Account - Fund 14100
Rio Arriba Court Facility Furniture and Equipment

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Prior Years</u>	<u>Actual Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
State appropriations	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Total revenues	50,000	-	\$ -	\$ -	\$ -
Cash balance appropriated	-	50,000			
Total budgeted resources	\$ 50,000	\$ 50,000			
Expenditures:					
Administrative services:					
Personal services & benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-	-
Other costs	50,000	50,000	-	-	50,000
Total expenditures	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000
Reconciliation of GAAP basis to budgetary basis expenditures:					
GAAP basis expenditures				\$ -	
Adjustments:				-	
Budget basis expenditures				\$ -	

Note:

The actual expenditures on the budget basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2009 budget.

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

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2009

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<u>Assets</u>				
<u>Cash and cash equivalents:</u>				
Court Clerk Accounts	\$ 7,615	\$ 1,034,017	\$ (1,036,857)	\$ 4,775
Litigant Accounts	<u>3,578,664</u>	<u>3,613,070</u>	<u>(4,276,102)</u>	<u>2,915,632</u>
 Total assets	 <u>\$ 3,586,279</u>	 <u>\$ 4,647,087</u>	 <u>\$ (5,312,959)</u>	 <u>\$ 2,920,407</u>
<u>Liabilities</u>				
<u>Due to external parties:</u>				
Due to Mediation	\$ 1,354	\$ 181,367	\$ (182,721)	\$ -
Due to Alternative Dispute	585	59,565	(59,685)	465
Due to Court Operating	488	117,185	(117,617)	56
Due to Drug Court Fees	-	3,435	(3,435)	-
Due to State General Fund	1,073	127,101	(127,410)	764
Due to Other Agencies	4,115	545,364	(545,989)	3,490
Due to Litigants	<u>3,578,664</u>	<u>3,613,070</u>	<u>(4,276,102)</u>	<u>2,915,632</u>
 Total liabilities	 <u>\$ 3,586,279</u>	 <u>\$ 4,647,087</u>	 <u>\$ (5,312,959)</u>	 <u>\$ 2,920,407</u>

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Schedule of Operating Transfers
For the Year Ended June 30, 2009**

	From SHARE Agency/Fund	To SHARE Agency/Fund	Title	Transfer	
				In	Out
1	34100/85300	23100/14100	Department of Finance and Administration	\$ 6,600,400	\$ -
2	34100/85300	23100/14100	Department of Finance and Administration	129,300	-
3	21800/00000	23100-85300	Administrative Office of the Courts	90,000	-
4	23100/14100	34100/85300	Department of Finance and Administration	-	12,951
				<u>\$ 6,819,700</u>	<u>\$ 12,951</u>

- 1 General Fund Appropriation, Laws of 2008, Chapter 3, Section 4.
- 2 Compensation Package Appropriation, Laws of 2008, Chapter 3, Section 8
- 3 Transfer from AOC-CASA (State General Fund), Laws 2008, Chapter 3, Section 4 and Laws 2008, Chapter 6, Section 1
- 4 FY 2008 Reversion to State General Fund

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT
Schedule of Deposits and Investments
June 30, 2009**

	Type of Account	Fund No.	Balance per Depository	Reconciling Items		Reconciled Balance at June 30, 2009
				Outstanding Warrants	Deposits in Transit	
Governmental Funds						
Investment in State Treasurer						
General Fund Investment Pool						
Court Regular	Operating	14100	\$ 440,722	\$ -	\$ -	\$ 440,722
Child Support Hearing Officer	Operating	91800	45,983	-	-	45,983
Court Mediation	Operating	91700	114,201	-	-	114,201
Drug Court	Operating	01600	-	-	-	-
Alternative Dispute Resolution	Operating	87800	14,498	-	-	14,498
Drug Court Fees	Operating	51600	3,100	-	-	3,100
			618,504	-	-	618,504
Petty Cash	N/A		750	-	-	750
Total governmental funds			\$ 619,254	\$ -	\$ -	\$ 619,254
Agency Funds						
Litigant Accounts:						
Wells Fargo Bank	Checking		\$ 1,398,055	\$ (29,567)	\$ -	\$ 1,368,488
Community Bank	Checking		34,917	(600)	-	34,317
New Mexico State Treasurer- Pooled investment	LGIP		1,512,827	-	-	1,512,827
			2,945,799	(30,167)	-	2,915,632
Court Clerk Account:						
Bank of America-St. Treasurer	Checking		-	-	-	-
Community Bank	Checking		4,641	-	134	4,775
			4,641	-	134	4,775
Total Agency Fund			\$ 2,950,440	\$ (30,167)	\$ 134	\$ 2,920,407

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

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT**

**SCHEDULE OF MEMORANDUM OF UNDERSTANDING
June 30, 2009**

- a) Participants: The First Judicial District Court and the Human Services Department.
- b) Responsible party for operations: The First Judicial District Court.
- c) Descriptions: To implement measures for the use of child support hearing officers in the adjudication of legal actions for child support pursuant to NMSA 1978 Sec. 40-4B-1 et seq, by:
 - 1. Providing a cooperative structure for the Judicial District and HSD to implement the Child Support Hearing Officer Act;
 - 2. Providing the additional staff, personnel and procedures necessary to ensure prompt and full payment by obligated parties of child support obligations for their dependent children and, where applicable, attendant spousal support obligations;
 - 3. Insuring that support payments are made in compliance with federal regulations governing the state's federally mandated program pursuant to Title IV D of the federal Social Security Act;
 - 4. Complying with the state plan and program to enforce child support obligations;
 - 5. Improving compliance and speeding up the processing of cases and completion of enforcement actions, thereby reducing expenditures and increasing recovery for the Temporary Assistance to Needy Families (TANF) program;
 - 6. Providing additional court monitoring for the increased caseload;
 - 7. Providing raises to court staff as provided by law;
 - 8. Increasing the transmittal of child support payments to CSED in accordance with the provisions in 40-4A-4.1 NMSA and ensuring prompt and full payment by obligated parties of child support obligations for their dependent children and, where applicable, attendant spousal support obligations.
- d) Beginning and ending dates of agreement: July 1, 2008 to June 30, 2009.
- e) Total estimated amount of project is \$333,556. The Human Services Department shall contribute \$333,556.
- f) The First Judicial District Court made no contribution in the current fiscal year.
- g) The First Judicial District Court has audit responsibility.
- h) The First Judicial District Court is the fiscal agent.
- i) The First judicial District Court reports all revenues and expenditures.

OTHER REPORTS

ROBERT J. RIVERA, CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS
6 CALLE MEDICO, SUITE 4
SANTA FE, NEW MEXICO 87505-4761

(505) 983-6002

FAX (505) 983-6474

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*

Honorable Stephen Pfeffer, Presiding Judge
First Judicial District Court
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and major special revenue fund, and the aggregate remaining fund information of First Judicial District Court (Court), as of and for the year ended June 30, 2009, which collectively comprise the Court's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Court's non-major governmental funds and budgetary comparisons presented as supplementary information as of and for the year ended June 30, 2009, as listed in the table of contents and have issued our report thereon dated December 2, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of New Mexico, First Judicial District Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of New Mexico, First Judicial District Court's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the State of New Mexico, First Judicial District Court's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State of New Mexico, First Judicial District Court's internal control.




Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of New Mexico, First Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under ***Government Auditing Standards***.

This report is intended solely for the information and use of management, others within the agency, the State Auditor, the New Mexico Department of Finance and Administration, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
December 2, 2009

**STATE OF NEW MEXICO
FIRST JUDICIAL DISTRICT COURT**

Schedule of Findings and Responses

June 30, 2009

I. PRIOR-YEAR AUDIT FINDINGS

a. Repeated in current-year

None

b. Resolved and not included in current-year

None

II. CURRENT-YEAR FINDINGS PERTAINING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED

None

Financial Statement Preparation

The financial statements were prepared by the independent certified public accountant performing the audit with the assistance of the Court's staff. Management is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles and that records are current and in balance. Management has reviewed and approved the financial statements.

Exit Conference

An exit conference was held on December 9, 2009, to discuss the audit. The following individuals were in attendance:

State of New Mexico - First Judicial District Court

Honorable Stephen Pfeffer, Presiding Judge
Stephen T. Pacheco, Court Administrator
Kathleen J. Vigil, Court Financial Manager
Nina Ulibarri, Financial Specialist

Audit Firm (Robert J. Rivera, CPA, PC)

Robert J. Rivera, CPA